

F. Sergeyev

Chile

CIA

Big

Business

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FOREWORD

Some would still pass off the monstrous crimes of Augusto Pinochet's tyranny, his regime's unmatched corruption, the destruction of what has been created by generations of Chileans, rampant obscurantism and many other barbarities as a simple consequence of the bestiality of the self-styled dictator and the avidity and limitations of his cabal. To do so is to ignore the responsibility of those who had promoted and financed the fascist putsch in September 11, 1973, those who rule the rulers, the actual beneficiaries of this despotic system. That was also the argument of those who, in earlier days, sought to reduce the interpretation and analysis of Nazism to exposing the unbalanced mentality of Hitler and his lieutenants. Fascism, however, has quite definite forces of imperialism behind it, and it is these forces that resort to an outright terrorist dictatorship, while using the Hitlers, the Mussolinis, the Francos, and Pinochets, as their tools.

One important thing is to unmask the godfathers of fascism, the true masters of these barbarian caudillos intent on arresting the march of history and drowning the people's aspirations in a bloodbath.

Everything horrible and negative that fascism has meant is in the list of imperialism's shameful misdeeds—the suffering, evil and irreparable damage that it visits on mankind.

The fate that befell Chile in 1973 threw in relief the role of world policeman that U.S. imperialism plays, trying to

maintain the exploitation of peoples by fire and sword and to crush democratic forces everywhere, regardless of frontiers.

Chile's financial oligarchy found itself defeated at the time and powerless to regain its domination. Big landowners lost their property. The same happened to imperialism's traditional enclaves inside the country which were eliminated through nationalisation by the Popular Unity Government headed by Salvador Allende. It was, then, the U.S.-based centres of imperialist power that took the command of the reactionary bloc into their own hands and set an anti-Chilean conspiracy in motion. In Washington, the headquarters of most aggressive multinational corporations and the U.S. government acted in concert. The conspiracy had been hatched by the Pentagon, the CIA, the State Department and other federal agencies which had joined forces in plotting, organising, financing and controlling it, having galvanised the defeated reactionaries and hired certain military chiefs, bribing them to betray the units under their command, their people and their country.

This is all the substance of the book, scrupulously truthful, based on a wealth of documentary evidence, as a thorough study. For this reason, this is an instructive book, for it brings the tragic Chilean experience to everybody's knowledge. A lack of clear understanding of the danger of imperialism, connivance at its machinery of interference and tolerance of its military missions have to be paid for dearly.

It is most noteworthy that this book has as its source of information the confessions of imperialists themselves, their official statements and the facts they have been unable to deny. It is not the things they have said because of any love for the truth or because of some irrepressible bragging instinct. Chapter VII, "Evolution of Confessions", is most illustrative in this respect. U.S. spokesmen were saying what had already transpired and had nothing to make a mystery of. In some cases they did so in order to intimidate other nations or in an attempt to justify their own action or else to cast aspersions on others in a scramble for economic and political power; some sought to cash in on sensation-seeking publicity; but in most cases they aimed to divert attention from newborn things in the making. One purpose behind these confessions was to present the foul action against

Chile as a product of past developments. A current practice is to put the blame on individual members of the cabinet or officials, or common criminals, to cover up or hide the responsibility of the system itself, the regime itself and its main pillars. Moreover, by means of these half-confessions, the CIA and the Pentagon have been trying to float all kinds of legends, trivial explanations, unfounded charges and allegations with the obvious aim of covering up the true, still more serious scheming. From time to time these individuals get as cynical as to admit that they are protecting their spy networks and secret criminal organisations so as to keep them effective...

So, some of the material which the author of this book had at his disposal came from those whose confessions need no evidence to prove them guilty. These are the confessions of enemies of the humankind, sworn criminals, cornered by international public opinion. There may be some ill intent or inaccuracy in one statement or another, in some details, but the general picture, the staggering accumulation of evidence incontestably demonstrate a shocking practice of exporting counter-revolution, shameless intervention, the basest imaginable international conspiracies and constant resort to crime.

Therefore, the author of the book, while consistently presenting the imperialists' own confessions, brings his impeccable, well-argued, conclusive and unchallengeable charge based on what has been proved, not presumed. The author does not limit himself to the outward aspect of the matter, nor to spotlighting the actual wrongdoers, but levels his indictment against "those who always remain invisible", the bosses of imperialist multinationals, big business and the most predatory groups of the U.S. financial oligarchy.

The Chileans will never forget one episode which revealed the general course towards promoting fascism in Chile. On September 14, 1970, the President of the multinational Pepsi-Cola company, Donald K. Kendall got Henry Kissinger to agree to meet one of the company's vice-presidents, a Chilean magnate Augustín Edwards who, being the chief of one of the clans of Chile's financial oligarchy, owned a bank and a whole newspaper empire, *El Mercurio de Santiago*, and was in charge, along with many other thriving industrial undertakings, of Cervecerías Unidas, a company closely associated with Pepsi-Cola. On the following day Kissinger,

Mitchell and Edwards lunched at the White House. On that occasion, Edwards repeated, in the presence of the U.S. Secretary of State, the idea he had put across the night before to Richard Helms, the then CIA Director, that it was necessary to remove the Commander-in-Chief of the Chilean Army General René Schneider to block Salvador Allende from the presidency of the Republic.

It is indicative that, with Augustín Edwards in Washington, CIA agents Hal Hendrix and Robert Berrellez, posing as ITT officials, on the same day, September 14, met in Santiago with the chief of the Matte-Alessandri financial clan—Arturo Matte-Larraín, brother-in-law of ex-President Jorge Alessandri and a right-wing presidential candidate in 1952 election. Matte told them of a plan which “did not exclude the use of violence, even if provoked”, confirming the information about the Chilean Armed Forces, which was simultaneously provided by Edwards.

One of the best proved facts in the documents concerning the CIA's anti-Chilean conspiracy is that the latter had, step by step, generously financed the newspaper empire of Augustín Edwards who owned the newspapers *El Mercurio*, *Las Ultimas Noticias*, *La Segunda de Santiago*, *El Mercurio de Valparaíso*, *El Mercurio de Antofagasta* and the Lord Cochranne Publishing House, and had close connections with the *Que Pasa* magazine.

The Edwards, Mattes and Alessandris, big and influential clans of Chile's financial oligarchy were defeated by the people. They could not maintain their domination, everything was brought to an end and their plans were foiled. Edwards' Bank went bankrupt. Other banks passed into the hands of managers appointed by the Popular Unity Government. Monopoly-owned companies were incorporated in the public sector involving direct working-class participation. This laid the groundwork for an appreciable economic upturn and for the highest ever industrial performance which had never been repeated right until 1979. The people's long-standing basic demands began to be met. But the Edwards, Mattes, Alessandris, the clan of the Bank of Chile and other representatives of the oligarchy had a mighty and powerful ally, U.S. imperialism, which went into action.

Chilean peasants say that if a pig intrudes into a plantation and starts stamping and spoiling it in every way, one

should blame not so much the pig itself, as those who feed it with bran. By the same token, admissions of Pinochet's bestial killings in no way diminish the responsibility for those crimes which lie with the financial oligarchy and, above all, with U.S. imperialism.

On the other hand, the Pinochet regime and fascism now entrenched in Chile mean a dictatorship of certain clans of the financial oligarchy, directly connected with and dependent on imperialism. True, outwardly, this is a dictatorship of the military, by the military and for the military. However, most of the high-ranking officers who supported Pinochet on September 11, 1973, have since been removed from their positions through backstage power scramble brought on by disaffection in the Army, Navy and Air Force as well as in Carabineer units over the government's disregard for the basic interests of the overwhelming majority of the Chileans and the nation as a whole.

Pinochet had to resort to the assassination of his predecessor as Commander-in-Chief of the Armed Forces, General Carlos Prats, in Buenos Aires, and Defence Minister Orlando Letelier in Washington for fear that such personalities might one day rally around them the growing elements of resentment inside the Armed Forces. It was out of the same considerations that he had sanctioned the murder of General Bonilla in Chile and cashiered almost all generals and admirals. His most staggering conflict was with one of the members of the military Junta, General Gustavo Leigh, Commander-in-Chief of the Air Force, whom Pinochet dismissed together with nearly all Air Force generals. That was a veritable coup d'etat. In the meantime, the tycoons of the financial oligarchy, far from being assassinated or retired, have been building up their monopolistic empire through accelerated concentration and centralisation of capital.

The fascist Junta's first Minister for Foreign Affairs was a dull-witted Admiral Huerta who publicly declared himself to be a fascist at a news conference in Mexico-City. He was succeeded by a no more intelligent Admiral Carvaja. Having got sick and tired of their antics, the financial clans decided to take the direction of fascist diplomacy into their own hands. It is noteworthy that the man they picked for the job was Hérnan Cubillos who had been Augustín Edwards' figure-head president of the Mercurio Newspapers

Association under the Popular Unity Government. It is precisely in this capacity that we saw him presented in countless American documents, personally receiving handsome bribes from the CIA.

U.S. imperialism launched its aggression against the Chilean people through a financial blockade, economic sabotage, subversive actions, hostile propaganda, conspiracies, a coup d'etat and bloody reprisals. It did so, having inspired its allies among the financial oligarchy and expropriated big landowners and having pushed the most corrupt top-ranking officers into an act of national betrayal. This revealed a quite distinct line of action. It was not individual action by a particular personality or a case of intervention by a particular organisation, but that of a consistently conducted policy with the participation of the President, Secretary of State and his assistants, the Pentagon, the CIA and other intelligence services, the U.S. Embassy in Santiago, and all that being done through numerous channels which the National Security Council has at its disposal. That was the official policy of the United States, and the responsibility for it is too obvious to escape. But there is something else to it. The facts, like those of Chile and some other countries, have demonstrated how the U.S. authorities act today in the context of state-monopoly capitalism and the monstrous build-up of the military-industrial complex. Everything was carried out on the initiative, under the guidance and at the undisguised behest of big business and imperialist companies bent on plundering Chile.

The hero President Salvador Allende said as much in no uncertain terms in his striking speech before the UN General Assembly on December 4, 1972, when he emphasised that he had come there to draw attention to the fact that his country was "a victim of serious aggression". In that speech he warned mankind: "We are confronted by the forces operating in the shadow, having no flag, and possessing powerful weapons located in most diverse vantage-points." His words were an indictment that rang out for the whole world to hear: "We foresaw the difficulties and the external resistance we would have to face in our process of change, above all, in nationalising our natural resources. Imperialism has a long and fatal record of cruelty in Latin America. We have the fresh memory of the dramatic and heroic experience of Cuba, and also that of Peru, the

country which had to suffer the consequences of her decision to gain sovereign control of her own oil. In the seventies, with so many resolutions and decisions passed by the international community recognising each nation's sovereign right to manage its own natural resources in the interest of its own people; and after the conclusion of international covenants of economic, social and cultural rights and the inauguration of the development strategy for the Second Development Decade, which these resolutions have sanctified, we have now fallen victim to imperialism which has exhibited its new qualities, imperialism which has become more subtle and artful, much more effective in impeding the exercise of our rights as a sovereign nation."

The presidential palace, La Moneda, was bombed and attacked by potent means of warfare. Salvador Allende died while on duty as Head of State. The flag with the presidential emblem which flew at its mast over La Moneda never came down, but burned away. The original text of the Declaration of Chile's Independence, signed by Bernardo O'Higgins, was destroyed. Under a plan worked out in the United States, the commanders of the Armed Forces, with Pinochet in the lead, betrayed their national duty, declared a war on the Chilean people and plunged the nation into a bloodbath. Crimes of the most nauseating kind have been going on for over seven years now. In the meantime, the actual moving spirits, representatives of imperialism, its politicians and diplomats as well as its political journalists have been making honeyed and spurious speeches, paying lip-service to human rights and posing as champions of freedom. This is what has necessitated this particular truthful, daring and uncompromising book which places everything in its proper perspective.

It is worth recalling, at least in broad outline, the record of Popular Unity Government. In the first two years of its existence, 1971-72, production was growing twice as fast as it did under the two preceding governments. The wages fund, constituting 49 per cent of the gross national income in 1959-64, and 51 per cent in 1965-70, went up to 62.8 per cent. Almost all children between 6 and 14 went to school. The annual rate of increase of the number of secondary schoolchildren was 18.2 per cent, and that of higher school students—34.9 per cent. There was cultural advance in most diverse areas of activity. For example,

books were issued in what were unprecedented editions for this country. But the most important thing was that the state took over national resources. The metallurgical, cement, copper-mining, saltpetre-mining, iron-ore and coal-mining industries were nationalised. So were 16 commercial banks, thereby placing over 90 per cent of all credits under State control. By superseding monopolies in a large number of major areas of social production, the State gained control of 70 biggest industrial undertakings of the textile, brewery, electronic, chemical, steel, copper and other industries. An agrarian reform got under way, with 5,500 landed estates being turned over for collective farming.

Since the coup, the situation has been reversed in all the sectors of the economy. U.S. imperialism has been in action not only to implant its enclaves and hold the direct property of big companies. It has created a more sophisticated system of state-monopoly control of the economy applicable to Chile because of an internationalised process of conquest of the capitalist market by transnational corporations. At the same time, this system structurally differs from orthodox state-monopoly capitalism by its dependent character. Therefore, the State and the local financial oligarchy and imperialist transnational octopuses are allies and act in concert. All the strategic branches of the national economy are under the control of a dozen financial clans who have seized the banks and exercise their power through the government. It is they who shape economic policy, operating in close contact with imperialist companies. Four clans have captured dominant positions: two groups of the so-called "vultures" of Cruzat-Larraín and Javier Vial (the Bank of Chile) and also Matte-Alessandri and Augustin Edwards. This financial oligarchy identifies itself with imperialism and is a shareholder of international monopoly capital.

U.S. imperialism is at the pains of updating its style and language. It operates through the mass media worldwide and pursues its policy of reproducing imperialist relations in the context of a deep crisis. At the same time it sets much store by disguising its aims. U.S. imperialism is trying to arrest the process of erosion and disintegration of its social base and to wage its ideological battle, taking into account its recent setbacks in Southeast Asia and Africa, the moral

crisis of U.S. society itself, the succession of political scandals in the United States, exposing, for instance, the U.S. government's involvement in the organisation of the fascist putsch in Chile, and faced by the changed balance of power in the world, its shrinking sphere of influence and an aggravation of the general crisis of capitalism.

In search of a moral excuse to vindicate imperialism, the Carter Administration has been manoeuvring and invariably withholding the truth about its actual policy towards Chile. On the one hand, Mr. Carter has received Pinochet in person at the White House, and granted him the best of military, police and, above all, financial aid. There has been no let-up in the gross intervention in Chile's internal affairs through the military pact, U.S. military missions operating in Santiago, arms supplies, officer training courses in the United States, aid to the repressive police forces and intelligence services, various systems of extra benefits, reappraisals and vouchers of U.S. federal institutions in respect of the huge credits which the biggest banks grant to Pinochet to prop him up. On the other hand, the Carter Administration has launched a giant face-lifting campaign to feign disagreement with Pinochet and escape the responsibility it bears for backing his tyranny.

Nonetheless, the fact is that a mounting proportion of loans in the overall volume of U.S. capital investment in Chile has brought about a still closer relationship of direct dependence with the very core of U.S. financial oligarchy.

The economic policy of fascist tyranny, which has thrown the gates of the Chilean market wide open to international capitalism, makes for the greatest ever inflow of foreign capital and goods, while keeping the Chilean national economy confined to a few primary industries capable of yielding a relatively low rate of profit. Transnational corporations prefer to dominate the local market by operating from without.

Such a policy fits in perfectly well with imperialist strategy of a demonstrably neocolonialist character.

It is important to note that such a strategy cannot be applied through economic machinery alone, but implies the use of violence of the most cruel kind. Examples are galore to this effect. For it is not a rare exception but a standing practice of imperialist policy. It is, above all, to F. Sergeyev's credit that, in his book, he illustrates this real

situation by what has become a classic example: that of the imperialist aggression against the constitutional government and the people of Chile. Nothing of what is now taking place in Chile could have happened, had it not been for this insidious and pre-planned aggression.

This book is coming off the press when there is a spate of foul fabrications abroad all over the world which are meant to distort and conceal the truth and so absolve imperialism. What claims attention is that one set of arguments of these tale-tellers turns on a variety of propaganda stories spread by Peking. It is just as much a matter of common knowledge today that the Chinese leaders, having betrayed the cause of the liberation of peoples and allied themselves with imperialism, went along with the 1973 fascist putsch in Chile to befriend the tyranny of Pinochet. The latter, in a succession of diatribes, echoed the Peking formulas about the struggle of the superpowers and their definition of the Soviet Union as Enemy No. 1. Fascist propaganda put these formulas into circulation to counter the worldwide campaign of solidarity with the Chilean people and to picture Pinochet as a partisan of an independent and nationalist policy alleged to be opposed to the two superpowers, according to the Chinese interpretation. Yet the obvious fact is that there is, on the one hand, the Soviet Union committed, together with all the democratic forces of mankind, to broad and exemplary solidarity with the Chilean people, and, on the other, imperialism indulging in verbal exercises and acting as a sleight-of-hand performer withholding his secrets and a wirepuller to manage Pinochet, the puppet.

More and more forces are joining the anti-fascist resistance in Chile with each passing day. A patriotic movement of Chileans rejecting fascism is gaining ground. The disrepute and isolation of the tyranny are at their peak. Many of those within this broad and strong democratic current sometimes fail to see clearly certain essential issues and are not quite aware of the real course of events. The present book is useful in the sense that it provides a closer insight into what has actually happened in that country.

With the advent of fascism to power, Chile has suffered a disaster having far-reaching consequences. In 1975, when Pinochet ruled the country with the greatest cruelty, the per capita gross national product dropped by 18.4 per cent,

industrial production by 27.4 per cent, and construction by 31 per cent. During the period between 1972 and 1976 the wages fund shrank by 44.6 per cent. During the five years of the tyranny gross investment amounted, on average, to a mere 10 per cent of the value of finished products*, that is, half the respective index for the whole of Latin America during the same period. The suspension of home-building has increased the housing shortage which now affects 30 per cent of the population. Industrial production in 1978 never regained the 1972 level; the harvest of 14 staple crops in the 1977-78 agricultural season was 27 per cent below the 1973-74 harvest, in spite of favourable weather conditions. The nation's foreign debt inordinately rose to top 6.5 billion dollars at the end of 1978. Credits to cover the budget deficit went up from 493 million dollars in 1977 to 850 million dollars in 1978. The decline of industry, dependence on imports and the entire policy of fascism have been producing a year-by-year rise of interest on debts which, alongside foreign trade, has turned into one of the chief means of imperialist plunder. Chile is supplying imperialist powers with an immense quantity of copper and other raw materials and swelling the profits of U.S. domestic corporations by paying them a high rate interest on ever mounting debts. And all this means ruining small businessmen and visiting unprecedented hardships upon the middle classes, extreme impoverishment of the working class and hunger of a vast proportion of the population along with record-breaking unemployment.

The foregoing has to be taken into account in its entirety to see the meaning, purpose and nature of the conspiracy against Chile. The reference is not only to the attack on La Moneda Palace, the trampling of the sovereignty of the people, the closure of democratic institutions, the murder of tens of thousands and detention of hundreds of thousands, with over two thousand having been abducted or declared missing. From time to time their dead bodies are discovered, bestially mutilated during terrible tortures. Fascism means something more: regress in all areas and plunder hitting at the nation's economy. That is its blasted product.

But fascism has failed to destroy the patriotic consciousness of the people of Chile. Democratic organisations are alive and in action. The Communist Party of Chile remains an organised and very active force. The trade union move-

ment has been reorganised. The students are speaking up. All the Popular Unity parties are operating underground. The Christian Democratic Party has joined the opposition. Outbursts of people's protest cannot be suppressed. Every social group is advancing its demands. The amateur art activity of the masses is gathering momentum, having compelled respect for folklore and songs which the fascists hate so much. The people are rallying their forces in a hundred and one ways.

It is quite obvious that fascist rule has no solid ground to support too long. And it is just as obvious that the people of Chile will win their way to liberation. We can see this from the example of the growing difficulties inside the Brazilian model of dependent fascism and the mounting struggle of the people of Bolivia who have succeeded in overthrowing a dictatorship which applied fascist methods, and from the example of the struggle of the peoples of Uruguay and Paraguay, Nicaragua, the homeland of Sandino, Guatemala and Haiti.

As a matter of fact, fascism is by no means a fatal lot which imperialism can impose on whosoever it may please throughout the whole of Latin America. The vast majority of the Latin American peoples have been able to check the fascist offensive. They succeed in preserving certain democratic safeguards won through the hard struggle of the masses in various countries. The enormous contradiction between the national interests of Latin American countries and U.S. imperialism manifests itself in every shape and form.

Nor could it be otherwise on the continent where the anti-imperialist struggle has reached its highest point since the victory of the Cuban Revolution, the most significant event in all Latin American history. I remember the fiery words of Fidel Castro on the 20th anniversary of the Cuban people's victory over the Batista tyranny: "Who has told the United States that the people of Latin America cannot opt for socialism? Who has cast it in this role of policeman and master of our destinies? Why do we have to take as our model the capitalist society which lives by other people's sweat, sticks to Jimcrow tactics, kills Indians, slights "Chicanos", Puertoricans and other Latin Americans, prostitutes women and perverts children, the society of violence, vice, alienation and crime? Who can force us to live for ever in

this egoistic, merciless and historically condemned system?"

It is, of course, the defeat of a people, the temporary victory of imperialism, the great tragedy of Chile that F. Sergeyev's book is all about. Yet it does carry a charge of optimism. As you read it, you will see that it was no easy thing for the powerful masters of multinational corporations, the government leaders of the strongest capitalist country, high-handed CIA bosses and arrogant Pentagon generals to achieve their ends in bringing fascism to power in Chile.

The author produces a long succession of documents and written statements of American agents having to admit, that they were unable, at certain moments, to do what they planned to do, that they encountered some form of resistance, that some Chilean leaders reacted negatively, that patriotic values prevail over pro-imperialist tendencies in the Army, and that the popular movement thwarted the plotters' scheming. These enforced confessions of the enemies bear witness to the great services of Chile's democratic forces and to the reserves they had at their disposal to stop fascism. If you review a quarter of a century of hard struggle from 1945 to 1970 between imperialism seeking to suppress democratic rights and the working class and the entire people determined to keep and extend these rights, you will appreciate the gigantic amount of work which the Communist Party of Chile and its allies in the Popular Unity coalition, United Workers' Centre (CUT), large numbers of Christian Democrats and other organisations who, although they did show some weakness at certain moments, eventually found the right course to follow. An important fact arising from this development was the action of imperialism in physically removing, one after the other, the two Commanders-in-Chief of the Chilean Army who proved to be patriots: the Generals René Schneider and Carlos Prats. It should be added that two more commanders, those of the Navy and Carabineros were dismissed on September 11, 1973, and replaced by two parvenus who had wormed their way into commanding positions due to the CIA conspiracy.

To reinforce the argument that the installation of fascism in Chile was by no means unavoidable, let me note that all the imperialist-hatched plots prior to September 1973, had invariably flopped. Some of the events described in this book were dramatic for us, who were directly involved in

the great battle which our people waged against their enemies, foiling their designs all the time.

However, imperialism did carry the day on September 11, 1973. The Communist Party of Chile has thoroughly analysed the factors which led up to this defeat. On the one hand, some right and "ultra left" opportunist moods influenced certain sections of the population. But that is not all there was to it. Luis Corvalan's report to the Plenary Meeting of the Central Committee of the Communist Party of Chile in August 1977, was very valuable as one of criticism and self-criticism. The main conclusion it prompted was that the defeat was due, in a way, to certain shortcomings in our work which helped change the balance of forces in favour of the enemy. There was a chance to bar the way to fascism in Chile.

Imperialism is a very strong, artful and dangerous enemy with immense resources at its disposal. This book is about the way it behaves. The peoples can fight and defeat it, if they throw every ounce of their energies into this battle. A basic requirement in the struggle of the peoples for freedom, independence, democracy and social progress, is to know the enemy and its methods, to be able to see the real substance of its scheming and avoid being caught unawares. F. Sergeyev's book is invaluable help in this sense.

ORLANDO MILLAS

INTRODUCTION

"The revolution in Chile," L. I. Brezhnev, General Secretary of the CPSU Central Committee, pointed out in the Report to the 25th Congress, "was a striking expression of its people's ardent desire to liberate themselves from the oppression and exploitation by their own bourgeoisie and foreign monopolies. It was headed by people of great honesty and humanism. It rallied the broad masses for building a new life. But the conspiracy of Chilean reaction, planned and paid for—as is well known—by foreign imperialism, caught the revolution off guard. The military-fascist dictatorship drenched the country in blood. Tens of thousands of the working people's finest and most loyal sons and daughters were killed, tortured to death, or imprisoned. A dark night of terror descended upon the country."¹

The Chilean tragedy, which stung the hearts of millions and shocked the world's democratic public, made every honest person stop to think of the causes behind it. How could a nation which seemed well on course to ending all poverty, oppression and humiliation, find itself under the heel of rabid fascists?

The Chilean tragedy is akin to the military-fascist insurrections and coups in Bolivia, Brazil, Guatemala, the Dominican Republic, Uruguay and some other countries of Latin

¹ *Documents and Resolutions. XXVth Congress of the CPSU*, Novosti Press Agency Publishing House, Moscow, 1976, p. 35.

America. Whatever the particular course of events in each of them, there is one thing that is common to the fierce battle waged against the national liberation and revolutionary movement: the local oligarchy and the juntas of reactionary officers invariably have the all-round support of the U.S. monopolies and administration to rely on.

The course of events in Chile conclusively proved the stark truth that militarist and fascist forces enter the political stage whenever a mass upsurge jeopardises the positions of reaction and imperialism. They seek salvation by trying to preserve old military dictatorships and by implanting new fascist regimes. The Conference of Communist Parties of Latin America and the Caribbean, which was held in Havana in June 1975, stressed in its declaration that "the deterioration of the general crisis of capitalism which is completely unable to resolve it, prompts the more aggressive sections of monopoly capital to resort to fascism... The Chilean experience is, first of all, clear evidence of the validity of the Marxist-Leninist thesis that the old classes do not relinquish power of their own free will but, on the contrary, cling grimly to it."¹

Latin America is one of the world's potentially wealthiest regions rich in natural resources. It produces over 30 per cent of the capitalist world's bauxites, antimony, tantalum, silver, fluorite and beryllium, over 15 per cent of its copper, tin, lead, zinc, iron, manganese, tungsten, a large proportion of its oil, natural gas and many other primary products.²

U.S. imperialism has long been treating the Latin American continent as a sphere of its undivided rule and influence and as its strategic hinterland. It stops at nothing, not even outright armed intervention, to defend its own interests.

The victorious Cuban revolution, the formation of the Western Hemisphere's first socialist state, whose successes have encouraged a growing trend towards economic and political independence on the continent, have intensified

¹ *Latin America in the Struggle Against Imperialism, for National Independence, Democracy, People's Welfare, Peace and Socialism.* Document of the Conference of Communist Parties of Latin America and the Caribbean, June 1975. *Information Bulletin*, Prague, Vol. 13, No. 12, 1975, p. 29.

² *Mirovaya ekonomika i mezhdunarodniye otnosheniya*, No. 7, 1976, p. 17.

the anxiety of U.S. imperialists over the future of their storehouse of raw materials and their strategic hinterland.

U.S. imperialism has systematically conducted its subversive activities against the Chilean popular movement ever since the 1960s. It has since been established beyond all doubt that secret preparations for hatching a conspiracy against the Chilean people had been in full swing long before the Popular Unity coalition came to power.¹

Sensing the importance and the appeal of the Chilean experiment of democratic development opening up the way to socialism, imperialism did all it could to prevent Salvador Allende's victory in a presidential election.

The reaction of the U.S. ruling quarters to the victory of the Popular Unity coalition in 1970 was instantaneous. It was not by accident that the then Secretary of State Henry Kissinger, while briefing diplomatic correspondents in Chicago on September 16, 1970, warned that the United States should not nurture the illusion that Allende's coming to power in Chile would pose no serious problems for it and pro-U.S. forces in Latin America and virtually for the entire Western Hemisphere.

The overall world power balance between the forces of socialism and capitalism, on the one hand, and the comfortable victory of the Popular Unity coalition in the presidential election, on the other, made an open armed intervention in Chile's internal affairs particularly impossible. "...Imperialism has adapted its tactics to the new world conditions and evolved a practical alternative to direct armed intervention" as a means of terminating the revolutionary process.²

"While the peaceful development of the revolution was in keeping with prevailing conditions and expressed the will of the Chilean popular movement," Volodia Teitelboim, member of the Political Commission of the Central Committee of the Communist Party of Chile, wrote, "it was far from being in harmony with the mood of an enemy ready to stop the revolution at all costs and by every means,

¹ This fact proves the inconsistency of the allegation of bourgeois propagandists that the U. S. Administration and monopoly quarters acted in reply to the measures taken by the Allende government against their interests.

² Jorge Insunza, "Roads of Revolution", in: *World Marxist Review*, May 1977, Vol. 20, No. 5, p. 80.

including means that were anything but peaceful.”¹

Salvador Allende's inauguration as President of the Republic in 1970 and the formation of a government that was revolutionary and democratic by its social and political substance—which had become possible as a result of the unity achieved at that stage between the popular coalition parties (above all, between the Socialists and Communists), could not, of course, change by themselves the class nature of the State and the character of the Armed Forces, police and State administration. As the General Secretary of the Communist Party of Chile Luis Corvalan stressed more than once, electoral success is not the main thing about a popular movement, for it is nothing but a certain stage of a complicated development, of a larger social battle.

It was essential to democratise every field of activity, abolish all privileges of imperialist monopolies and financial oligarchy and put an end to their political power, which meant, in practical terms, “to carry out far-reaching democratisation measures in economic management, extend democracy to the judiciary and the control machinery, achieve a balance of forces in favour of democracy among the military”.²

Within a brief space of time, the Popular Unity coalition, operating under the existing Constitution and rule of law, nationalised the copper, saltpetre, coal and iron-ore mining industries, a number of industrial companies, and the banking system; established control over foreign trade; expropriated the land of big landowners, virtually abolished latifundias; distributed land among the peasants, began to set up agricultural co-operatives and state farms; the public sector gained ground in the national economy; the workers, civil servants and the military had their wages and salaries increased; a federal system of material aid to pupils and students was established; the health-care and educational systems were improved to the benefit of the working people, housing construction was launched; substantially reduced unemployment, etc.

By carrying out these major social and economic reforms,

¹ “Reflections on the 1,000 Days of Popular Unity Rule”, in: *World Marxist Review*, January 1977, Vol. 20, No. 1, p. 34.

² Orlando Millas, “Stages of the Struggle”, in: *World Marxist Review*, February 1977, Vol. 20, No. 2, p. 42.

the Popular Unity Government scored notable economic gains in 1971 and 1972, bringing down the rate of inflation and substantially raising the gross national income. There were political gains as well: the leading role of the working class was enlarged; new management bodies with workers well to the fore were set up at nationalised enterprises; ample scope was given to democracy; the country's entire population came to enjoy full democratic rights and freedoms. All that had the effect of broadening the political base of the Popular Unity Government, as witnessed, for example, by the results of the municipal elections in April 1971.

Yet, as the balance of forces changed, and the bourgeoisie resorted to economic sabotage, serious difficulties arose. They were largely due to the survival of illegal power reposing on the most reactionary sections of the community, alongside the legitimate government of the nation throughout the period of Popular Unity rule. This power controlled much of the machinery of the state in addition to certain important levers of the economy, finances and the media. That peculiar situation handicapped the modification of the legislation in force and the promulgation of new laws to codify real democratisation and progress towards revolutionary change. It was for that reason, for instance, that the Act on Punishment for Economic Crimes was not passed. That unavoidably bred more open clashes and conflicts between government bodies of state power in the hands of reaction and those of the people. In the second part of 1972 this scramble had developed into a pitched battle for power, and in March 1973 reaction, supported by imperialism, set course straight towards a coup d'état.

Unlike other acts of aggression by U.S. imperialism in Latin America, the one in Chile was engineered by more covert means and methods. The reactionary forces involved in preparing and staging the coup operated in many directions at once within the framework of one strategy and under centralised guidance.¹ They had practically unlimited

¹ The major U. S. executive body, the National Security Council and its working unit—the Committee of 40, coordinating the activities of the CIA, the Pentagon and the State Department, were directly involved in devising and actualising the policy directed against the Popular Unity Government.—*World Marxist Review*, August 1977, Vol. 20, No. 8, p. 39.

material facilities. That strategy turned on economic blockade, financial pressure, mounting inflation, stimulated black marketeering, pogroms, sabotage, subversion, acts of terrorism, public brainwashing by the media. Everything was brought into play to "destabilise" every aspect of national life. The "destabilising" policy reposed on a sure knowledge of the structure of the Chilean economy and its limited potentialities, owing to its traditionally heavy dependence on the USA.

It is on this front, first and foremost, that the oligarchy and imperialism, which had retained their dominant positions in the Chilean economy, launched their offensive. So, the economy became the principal battlefield. The pre-planned coup was carried out under the direction of transnational corporations (whose business had been affected by nationalisation), the State Department, the Pentagon and the CIA.

International, primarily U.S. imperialism sought to block all economic measures of the Popular Unity Government by forcing down copper prices, demanding an immediate repayment of debts, wrecking foreign trade operations, etc. National monopolists and big landowners were still in possession of vast economic reserves. They had extensive business connections, managerial experience and the active support of international imperialism. A full-scale economic war had been launched against the Allende government. Reactionary elements organised economic sabotage and a drain of capital and did everything they could to disrupt the work of nationalised enterprises, boosted inflation and pushed up prices. The purpose behind all that was to bring on a national economic disarray and chaos.

By exploiting Chile's economic and technological dependence on the USA, imperialism set about systematically and persistently destroying the country's economic machinery, trying to crush the new system of power by hunger and blockade. "Make the economy scream"¹—this instruction received by the CIA Director from President Nixon as early as September 15, 1970, served as the major

¹ *Alleged Assassination Plots Involving Foreign Leaders. An Interim Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities. United States Senate Together with Additional, Supplemental, and Separate Views, U. S. Government Printing Office, Washington, 1975, p. 227.*

guideline for the undercover preparations for the military-fascist coup in Chile.

The offensive in the economic field went on parallel with individual terrorism which has become a widespread daily practice of political reactionaries in Latin America today. This brought about social anarchy and chaos, with the media widely used to discredit the Allende government. One more factor which made it easier for the reactionary forces to carry out their plans was that the government had failed to take concerted and adequately effective measures to meet the challenge. The Popular Unity Government, Luis Corvalan writes, "made a grave mistake in allowing the forces of counter-revolution to enjoy almost unlimited freedom, so that they could ultimately put an end to freedom".¹ The miscalculations of and political trends inside the Popular Unity coalition allowed the forces of reaction "to bring the petty bourgeoisie into the effort to carry out reaction's plans".²

The Chilean events made it clear that the psychological warfare directed by CIA experts served to aggravate the country's serious economic problems, disrupt the movement of supplies, intimidate various sections of the population, particularly the middle classes, set them against the working class, bring these classes into an alliance with the big bourgeoisie to form a counter-revolutionary united front.

A parallel task was, by taking advantage of the class character of the army and the growing influence of reaction in its ranks, to move it away from the popular government, disregard the military's celebrated "professionalism" and "indifference to politics" and involve them in the coup.³ The factors that made that easier were the conditions in which the Armed Forces of Chile developed and, more particularly, the fact that for decades the professional training of Chilean officers went on under the Pentagon's direct control and influence. It was based on the 1949 Inter-American Security Treaty and on the Mutual Defence Treaty, concluded between Chile and the USA in 1952, as well as on a number of other military-economic agreements.

¹ *World Marxist Review*, January 1978, Vol. 21, No. 1, p. 35.

² *Ibid.*, January 1977, Vol. 20, No. 1, pp. 35-36.

³ Rodrigo Rojas, "Psychological Warfare: A Political Weapon of Imperialism", in: *World Marxist Review*, March 1977, Vol. 20, No. 3, p. 41.

These agreements brought Chile into the American military aid programme and made her army dependent on the USA. They remained in force after the Popular Unity Government had come to power. This enabled the Pentagon and the CIA to persist in their systematic subversive work inside the Chilean Armed Forces, prop up the reactionary brass-hats and turn them against the Allende government.

While the Popular Unity Government was in office, all credits and economic assistance to Chile from the USA and other imperialist powers were suspended. Yet American military aid to the Chilean Army continued unrestricted. The commanders of the Armed Forces were persistently told they must get active in governing the nation, to the extent of seizing State power.¹

Under those circumstances, the forces of reaction had a good chance of using the army to further their own interests, since it found itself removed from the struggle of the working class and the mass of the people for revolutionary change. At the same time the reactionary forces, closely connected with the top military, mostly coming from among the bourgeoisie and big landowners, did their utmost to stoke up anti-government feeling in the army, provoking the soldiers' and officers' resentment against economic difficulties.

There was one aim behind all that: to defeat Chile's first ever revolutionary government in power through an electoral victory, discredit an experiment so attractive to the large mass of the people of Latin America, which translated into reality the dreams of profound democratic change in Chilean society.

The facts of subversive action by imperialism and its allies inside the country were borne out by documentary evidence in a Staff Report of the U.S. Senate Select Committee which had studied the activities of the U.S. intelligence services; comprising the CIA's covert action in Chile

¹ The above-mentioned report of the Senate Select Committee stated that in July 1969 the CIA "Station" in Santiago asked and got permission from the Langley Headquarters for carrying out a secret programme for setting up an intelligence network in the Armed Forces of Chile to plot a coup. The programme was in operation for four years, complete with planting secret agents in all the three arms of the service of Chile. It involved unit commanders, lieutenants, retired generals, administration officers and privates. Late in 1971 and early in 1972 the CIA stepped up its military infiltration programme.

during 1963 to 1973, that is, including the period when the Popular Unity government was in office.¹

An important concept within the economic strategy of the USA in preparing the coup and pressing for a totalitarian regime to be installed in Chile, was that of reorganising the country's entire economic mechanism after the military-fascist Junta came to power. It was based on an "experiment" suggested by specialists from the "Chicago School" of economists in Santiago—neoclassics of the monetarist school. The fact, now coming to light is that, parallel with a series of subversive acts by Chilean reaction while the coup was in the making, there was a no less, if not more, dangerous act of subversion under way—a scientific elaboration of the ways of restructuring the nation's economic mechanism to be launched if the coup succeeded. This was without precedent in international relations as in all recorded history of foreign intervention in the internal affairs of an independent democratic state.

As the Senate Select Committee, having studied the CIA's covert action, confirmed, the United States, while planning a military coup in Chile, set store by the form the subsequent regime would have. This was the reason why back in the years of the Popular Unity government, the Central Intelligence Agency, with a go-ahead from the U.S. Administration, had founded the Chilean Institute of General Studies, an opposition research organisation. The scope of that funding expanded as time went on, and by 1973 over 75 per cent of its work was CIA-financed. The Institute of General Studies supplied opposition parties and private sector groups with a steady flow of economic and technical material. Many of the bills prepared by Chilean opposition parliamentarians were actually drafted by that Institute's personnel.² It was directed to draw up the Junta's economic

¹ *Hearings before the Select Committee to Study Governmental Operations with Respect to Intelligence Activities of the United States Senate, 94th Congress, 1st Session, Vol. 7, December 4-5, 1975, U. S. Government Printing Office, Washington, 1976.*

Appendix A¹ *Covert Action in Chile, 1963-1973, Staff Report of the Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities.*

² *Covert Action in Chile...*, p. 177. One of these was the Act transferring arms control to the Armed Forces, which was used by the military to take over factories, intimidate working people and tighten military control over the community in anticipation of the coup. (*Le Monde diplomatique*, Septembre 1976.)

plans. As the Senate Select Committee's report emphasised, it is the work done by this research organisation that "was to help the new government organise and implement new policies".¹

"Project files record," the Select Committee stated, "that CIA collaborators were involved in preparing an initial overall economic plan which has served as the basis for the Junta's most important economic decisions."² Yet this "experiment" proved an utter failure, as the present book will show.

The Chilean tragedy became an object lesson to illustrate the dire consequences of imperialist intervention in the internal affairs of countries in action for their independence.

As a prominent leader of the Communist Party of Chile, V. Teitelboim has rightfully emphasised, at the present time "the problem of Chile is of concern to people all over the world, it is a harsh reminder of the need for vigilance in the face of imperialist strategy".³

Under the Junta's rule Chile's economy has fallen into decay. Industrial production fell off sharply with hundreds of thousands of people out of work. The average wages have barely a quarter of the purchasing power they had under the Popular Unity government. The Junta's "open door" policy with respect to foreign capital and the sway of U.S. monopolies in the key sectors lead to widening disproportions in the national economy, augmenting the nation's foreign debt, imposing a heavy burden of privation on the working people.

In spite of ruthless repression, there has been mounting heroic resistance by the working class—the main force of the protest movement—and by the people at large, ever since the fascist putsch. The number of active opponents of Pinochet's Junta and its secret police is growing. Faced by a crisis of an unprecedented magnitude, fascism has grown ever more truculent. Pinochet has set in motion the whole of his huge repressive machinery in an attempt to check the progressive political activities of Chileans. Several thousand prisoners are still languishing in Pinochet's dungeons. The most disturbing is the fate of those who were thrown

¹ Ibid., p. 2.

² *Covert Action in Chile...*, p. 40.

³ "For the Complete Independence of Our America", in: *World Marxist Review*, Vol. 18, No. 9, September 1975, p. 11.

behind the bars, and subsequently disappeared without a trace. The fascist Junta is not desisting from the persecution of its political opponents, but shrinks from admitting this in public. Thousands of members of the Communist Party of Chile died while defending their ideals or else suffered the hardship of prison life, torture and deportation. Yet, in spite of all this, tens of thousands of Chilean Communists keep on living and fighting underground so as to make their decisive contribution towards the victory of the anti-fascist forces.

Socialists and other left forces of the nation have also risen to fight the tyranny in severe underground conditions. The Socialist Party, working clandestinely, produced a document in Santiago in March 1974, entitled "In the Fire of Battle Against Fascism Build the Leading Force of the People to Assure Victory!", in which it stressed that there could be no bourgeois alternative to fascism in Chile. The document said that the bourgeois imperialist counter-revolution with its economic model to shape a fascist-type state was leading to the extreme crisis of capitalism in Chile as a sequel to the inevitable failure of its ultimate attempt at survival, reposing on unlimited counter-revolutionary violence.¹

The policy of the Junta, its cruelty and disastrous plight of the nation's economy have antagonised not only the working people, but also the middle classes as well as the petty bourgeoisie and the Church which had at one time supported the reactionary coup.

There is what one can, indeed, call a worldwide movement of solidarity with the Chilean anti-fascist patriots, involving wide sections of democratic forces. One factor which made this possible was the consistent peaceful foreign policy of Salvador Allende's government. The solidarity movement achieved a notable success by securing the release from fascist dungeons of an outstanding leader of the Chilean and international communist and working-class movement, Luis Corvalan, General Secretary of the Communist Party of Chile, whose courage and fortitude has become a model for the embattled nation. It is well known that for a number

¹ "Al calor de la lucha contra el fascismo construir la fuerza dirigente del pueblo para asegurar la victoria!", *Documento del Comité Central del Partido Socialista de Chile*, Santiago, Marzo de 1974, p. 37.

of years the Junta had been planning a frame-up of Luis Corvalan and other Popular Unity leaders in order to do away with them. But it failed to carry through its criminal designs!

The liberation of Luis Corvalan and other distinguished leaders of the Popular Unity parties and many more patriots and democrats of Chile was a common victory for all forces of democracy and progress, and a powerful factor for an extension and deepening of the front of battle for the complete eradication of fascism on Chilean soil, for the establishment of a new democratic system and the resumption of social change. An immense contribution towards this victory was made by the Communist Party of the Soviet Union and the Soviet public.

The battle for democracy, for the return to law and order is the major factor which unites all Chileans. Foreign representatives of the Popular Unity parties have advanced a specific programme for this battle, reflecting the objectives of common action set out by all anti-fascists. These are the release of all political prisoners, whether declared "missing" or arrested, an amnesty for all those persecuted by the fascist regime; the lifting of the state of siege and the curfew, disbandment of the secret police; a trial of fascist criminals; return of all emigrants; restoration of trade union rights; full freedom of the press, assembly and association for all democratic organisations and segments of society; guaranteed existence of the courts unimplicated in the terror which swept the country during these years and committed to safeguarding everyone's legitimate rights; democratisation of the Armed Forces by stamping out fascism and reinstating officers, sergeants and soldiers expelled from the Armed Forces by the Junta; annulment of all decisions taken by the dictatorship to compensate for nationalisation and deprive peasants of the land turned over to them under the Agrarian Reform Act; restoration of university autonomy and eradication of fascist influence in all educational establishments by expelling the agents of the dictatorship from them; a fair share for all Chileans in production and the national income; recognition of the people's right of decision-making on national affairs.

While supporting this programme of common action, the Chilean Communists have declared that they are fighting and will continue to fight for the unity of all anti-fascist

forces and for the establishment of a broadly based government representing these forces and steering Chile towards genuine democracy and fundamental social change.

The Chilean revolution has suffered a temporary setback. But that does not detract from its historic merits or the value of its record. To understand the essence of those developments correctly, one should recall Lenin's view of the contradictions and complexities of a revolutionary process. In his "Letter to American Workers", Lenin wrote: "A revolutionary would not 'agree' to a proletarian revolution only 'on the condition' that it proceeds easily and smoothly ... that ... there are guarantees against defeats, that the road of the revolution is broad, free and straight, that it will not be necessary, during the march to victory, to sustain the heaviest casualties, to 'bide one's time in a besieged fortress', or to make one's way along extremely narrow, impassable, winding and dangerous mountain tracks. Such a person is no revolutionary, he has not freed himself from the pedantry of the bourgeois intellectuals..."¹

"The Chilean tragedy," L. I. Brezhnev said at the 25th CPSU Congress, "has by no means invalidated the communist thesis about the possibility of different ways of revolution, including the peaceful way, if the necessary conditions for it exist. But it has been a forceful reminder that a revolution must know how to defend itself. It is a lesson of vigilance against present-day fascism and the intrigues of foreign reaction, and a call for greater international solidarity with all those who take the road of freedom and progress."²

This is the main political lesson to learn from the tragedy of Chile.

"In the light of what has happened in Chile," Luis Corvalan pointed out at a meeting in Moscow in January 1977, "it is necessary today to bring to power a popular government capable of resisting all conspiracies and coup attempts prepared by imperialism, internal reaction and fascism."³

Much has been written about the Chilean tragedy. The very sequence of events is now well known. The object of

¹ V. I. Lenin, "Letter to American Workers", *Collected Works*, Vol. 28, p. 68.

² *Documents and Resolutions. XXVth Congress of the CPSU*, pp. 35-36.

³ *Pravda*, January 1, 1977.

this book is to provide a closer insight—based on an objective analysis of documentary material and information contained in monographs and periodicals—into the role of the USA, U. S. monopolies and the CIA in hatching the conspiracy in Chile, its internal mechanism, driving forces and actual protagonists, and to bring out the major lines of imperialist-directed overt and covert action by counter-revolution to strangle the Chilean revolution. The thrust of the book is to expose the full role of U.S. monopolies which master-minded and initiated the coup, dissect their criminal collusion with the CIA and Chilean military, and show the consequences of the reactionary coup for the country and the people.

A review of the events of that period will enable a fuller study of the ways and means applied by imperialism and its intelligence services which have become important instruments of the expansionist policy of U. S. monopolies in the countries of Latin America and other parts of the world—a serious threat to democracy and social progress.

Chapter I U. S. INFILTRATION OF CHILE

Ever since a squad under a Spanish conquistador Pedro de Valdivia completed the conquest of Chile in 1541, this narrow strip of land, skirting the Pacific Coast, has been an object of rivalry between the world's leading powers. The feudal-absolutist Spain, which sent her ships to the South American continent in search of gold, silver and slaves, conquered Mexico and Peru early in the 16th century and turned Chile into her colony in the 1540s. The country's economy was dominated by agriculture based on the lands taken away from the natives by the Catholic Church and big feudals, mostly Spaniards and Creoles—descendants of European conquerors.

The Spanish domination, which lasted for more than two and a half centuries, had become by the 19th century a factor retarding the country's economic advance. This incurred the growing resentment not only of native Indian population but of the Creole feudals as well.

An uprising against Spanish domination in Santiago in 1810 started off a bloody struggle for independence. In February 1817 the Spanish colonialists were finally defeated in the Battle of Chacabuco by the army of San Martin, an outstanding leader of the South American liberation movement which comprised Chilean troops, and the independence of Chile was proclaimed early in 1818.

Following the abolition of Spanish rule, Chile was gradually developing into a sphere of extensive and expand-

ing British penetration. "The deed is done, the nail is driven. Spanish America is free and, if we do not mismanage our affairs sadly, *she is English*,"¹ said George Canning, a distinguished British statesman of the day.

In 1822 the Chilean Government received a one-million-pound loan from London. While generously granting loans to Chile, Britain was gradually laying hold on the country's foreign trade. British firms began to dominate its sea and rail transport and copper mines. British capital was progressively infiltrating the Chilean economy.

The United States of America, too, strove to establish its economic and political domination of the Spanish colonies. To oppose Britain's attempts at intensifying European influence in the countries just freed from Spanish rule, the United States put forward a doctrine of setting up a single system of American countries, spelled out by U.S. President James Monroe in his message to Congress on December 2, 1823. As the former colonies liberated themselves from Spanish oppression, the United States was gradually establishing its trusteeship over these countries, artfully entering into a competition with Britain and France. By that time the USA accounted for about one-third of the total volume of Latin America's foreign trade, yet the presence of U.S. capital in Chile's economic life was of secondary importance at that stage. By the close of the 19th century the positions of British capital in Chile had become so entrenched that it called forth undisguised discontent of the national bourgeoisie which had strengthened itself by that time, with the partisans of pro-U.S. orientation being particularly vocal.

The balance of forces within the world economic system of capitalism changed at the turn of this century in consequence of capitalism's uneven economic development.

Chile found herself in the grip of a competitive struggle between the old and new colonial powers, and became, just like other countries of the Latin American continent, a bone of contention between foreign monopolies, above all, those of Britain, Germany and the USA. There had been increased activity of German capital in Chile in the last decade of the 19th century and all the way up to the outbreak of World War I. The volume of German-Chilean

¹ J. Fred Rippey, *Latin America in World Politics*, An Outline Survey, New York, Alfred A. Knopf, 1928, p. 57.

trade expanded by 590 per cent from 1895 to 1913 with Germany becoming Chile's second largest foreign trade partner.¹ The United States of America had also captured fairly strong positions in Chile's economy by the beginning of World War I.

The competitive struggle of U.S. monopolies against British and German capital intensified, in particular, early in the 20th century. U.S. investment in Chile went up from 5 million to 200 million dollars, that is, by 40 times, from 1900 to 1914.² By the same time (1914) British investment in Chile was estimated at 312.7 million dollars and that of Germany at 82 million dollars.³ U.S. corporations were out to capture important strategic positions in the Chilean economy, and set up a wide network of subsidiary firms and offices, many of which are still exercising their decisive influence on the national economy. Du Pont and Guggenheim began to play an essential role. The Chilean branch offices of the American Smelting and Refining Co., United States Steel Co., and Kennecott Copper Corp. (the latter since 1918) began to expand.

Exploiting the wartime situation, the United States was gradually taking over key positions in the Chilean economy. By the beginning of World War I the role of U.S. capital in that country had grown so much that from that time onwards Chile could well be considered to have definitely entered the sphere of the economic and political influence of the United States which had largely crowded Britain in the course of their competition.

By 1929, direct U.S. investment in Chile amounted to 423 million dollars.⁴ Chile's foreign debt, mostly to the United States, reached 300 million dollars.⁵ The revenue from direct U.S. investment in Chile and Chile's foreign debt interest payments to the United States topped 100 million dollars a year.⁶

After World War I Germany dropped out of the game for

¹ Hernán Ramírez Necochea, *Historia del imperialismo en Chile*, Santiago, 1960, pp. 160-68.

² M. S. Nikitin, *Chile*, Mysl Publishers, Moscow, 1969, p. 9 (in Russian).

³ Hernán Ramírez Necochea, op. cit., p. 224.

⁴ UN Documents—*Foreign Capital in Latin America*, New York, 1955, p. 63.

⁵ Ibid., p. 61.

⁶ Hernán Ramírez Necochea, op. cit., p. 239.

a time, but Britain continued to cling to her positions in the Chilean economy. The mission of clearing the way for the United States and strengthening the foothold of U.S. corporations was left to Colonel Carlos Ibañez del Campo who seized power in Chile in 1927, supported by big landowners, the military establishment and a section of the bourgeoisie tied to U.S. monopoly capital. A number of decrees promulgated under Carlos Ibañez placed the United States in a privileged position. The South American Force and Power, for example, received a 99-year concession to exploit waterfalls in the provinces of Santiago, Valparaíso and Aconcagua and became a power-producing monopoly. U.S. businessmen laid hold on Chilean telephone communications which have since been under the control of the International Telephone and Telegraph Inc. (ITT).

On the eve of the Second World War, Chile was only second to Cuba, among the Latin American countries, in respect of direct U.S. capital investment which had attained 592 million dollars by 1940.¹ The Second World War made for a further consolidation of the U.S. economic position in Latin America, and notably, in Chile, at the expense of the monopolies of other countries.² In the post-war years the USA had undivided control of major sectors of the country's economy. For example, about 1,000 million dollars out of some 1,200 million dollars of foreign investment in Chile in 1964 came from the United States.

Chile is leading the continent in per capita production of pig iron, steel, cement, electricity, and ranks fourth in that of manufactured goods. Apart from iron ores, gold, sulphur, bauxites, silver, coal, oil, manganese, lead and zink, Chile is also producing molybdenum, tungsten and uranium. Her high-grade copper deposits ranking first in size among the capitalist countries have worldwide reputation. Copper makes up 70 per cent of the country's exports, and it is noteworthy that Chile did not fall far behind the United States in copper production. However, the manifestly one-sided pattern of exports—mostly consisting of copper and saltpetre—led to the Chilean economy being most adversely affected by the ups and downs of the world

¹ Rodney Arismendy, *Para el prontuario del dolar*, Ed. Pueblos Unidos, Montevideo, 1947, p. 179.

² V. G. Trukhanovsky, *Winston Churchill. Political Biography*, Mysl Publishers, Moscow, 1968, p. 357 (in Russian).

capitalist market. Besides, the lion's share of the export earnings practically goes into the coffers of foreign, mostly U.S. monopolies, keeping the major mineral deposits under their control.

The U.S. copper companies, Kennecott and Anaconda exported 4,106 million dollars of profits during 50 years of their operation in Chile until 1963. The saltpetre mining companies siphoned off 3,937 million in the course of 80 years. The Bethlehem Steel Corporation derived an income of 970 million dollars from Chilean iron ores in the space of 50 years.

As the Foreign Minister of the Frei government, Valdés, pointed out, each dollar invested in the Chilean economy had earned five dollars for U.S. monopolies. The Anaconda Copper Co. made more than 20 per cent of annual profits on its invested capital in Chilean copper production, as against an average rate of 4 per cent in other countries. The company had no more than 16 per cent of its assets in Chile but for a long time it derived 80 per cent of its total profits through them.

The growth of agricultural production lagged behind that of population, and Chile was invariably constrained to import foodstuffs along with manufactured goods (in 1971 she imported some 340 million dollars' worth of food). That, naturally, increased Chile's dependence on the United States as the largest supplier of farm products.

Yet at the same time most of the population eked out a hand-to-mouth existence, although Chilean lands, if properly used and distributed, can well feed more than 30 million people, economists estimate.¹

The U.S. financial oligarchy, well entrenched in Chile, is afraid of losing the capital it had invested in it and the privileges it has come to regard as customary, and it is for this reason that it has been so frantically struggling to preserve the reactionary regime there. But how can one preserve what is being unavoidably demolished by the logical development of human history? U.S. monopolies see but one way of doing that, and that is, by obstructing in every way the development of the revolutionary process and its proliferation throughout the Latin American continent.

¹ M. Kudachkin, *Chile: Struggle for Left Unity and Victory*, Mysl Publishers, Moscow, 1973, p. 4 (in Russian).

The United States watched the development of the national liberation movement in Latin America with close attention and growing alarm. What upset her most was the victory of the Cuban revolution which brought with it an upsurge of the national liberation struggle on the continent. U.S. imperialism was fiercely defending its positions in that region. The landing of American mercenaries in the Bay of Pigs, the blockade of Cuba and the coups in Brazil and Uruguay, the intervention in the Dominican Republic were but some of the episodes of that offensive. The point and purpose of U.S. policy, Luis Corvalan wrote, "was to shore up the positions of certain bourgeois groups which, while favouring reform, are the mainstay of imperialist interests".¹

To clear up the part U.S. imperialism has played in the Chilean tragedy, one has to take a somewhat closer look at Chilean economic dependence on the United States and the impact this dependence has had on Chile's entire political system.

Historically, Chile has depended on foreign loans more than any other country of Latin America. Her reproduction was maintained largely through credits and recurrent payment deferments. Loans succeeded each other, turning into debts, with too little capital left to finance industrial and agricultural development, since most of the surplus value thus derived was transferred abroad as profits of foreign investors.

Direct investment by U.S. private corporations in the Chilean economy amounted to 1,100 million dollars in 1970 out of the total foreign investment of 1,672 million dollars. With overall investment in the 1960s made in various sectors of the extractive and manufacturing industries as well as in the distributive network and banking, the bulk of the U.S. private corporate investment (over 50 per cent) in Chile still went into the mining and metallurgical industries. By the end of 1970, however, the U.S. and other foreign corporations controlled almost all the basic and promising sectors of the Chilean economy: manufacturing equipment—50 per cent, pig iron and steel, and metal working—60 per cent, petroleum products—over 50 per

¹ Luis Corvalan, "Chile: The People Take Over", in: *World Marxist Review*, Decr. cr 1970, Vol. 13, No. 12, p. 2.

cent, chemicals—60 per cent, rubber goods—45 per cent, engine assembly—100 per cent, radio and television—roughly 100 per cent, pharmaceutical goods—nearly 100 per cent, office equipment—close on 100 per cent, copper—100 per cent, tobacco—100 per cent, advertising—90 per cent.¹

So, when President Allende's government took over in 1970, the country's economy was in the close grip of foreign monopolies, and that, naturally, made it most vulnerable to eventual hostile action by U.S. imperialism.

Control over the export sectors of the Chilean economy (copper production, first and foremost) left the United States free to deprive Chile of her basic source of hard currency at any moment. Normal functioning of the U.S.-equipped copper ore mining and processing industry depended completely on the supply of spare parts from the United States. Chile's financial dependence on foreign states, the USA, above all, made Chile their "hostage". The nation's foreign debt became a political instrument in the hands of creditor countries.

The United States always acted so as to influence, above all, the Chilean society's social-economic and political structure. While granting financial aid to Chile, the United States used it for asserting its control over all aspects of life in Chile and for its far-reaching penetration of the country's governmental, military and economic institutions.

A review of the events of the 1960s prompts the conclusion that the United States, using economic leverage, had an opportunity to influence the course of political developments in Chile in a way that suited it.² Its intervention contributed towards exacerbating the social and political contradictions in the country and creating the prerequisites for the major political setback of the USA and its stooges in 1970.

In the period from 1961 to 1970 Chile was the major recipient (in per capita terms) of loans from the Alliance for Progress which granted her a total of about 1,400

¹ Dale Johnson, *The Chilean Road to Socialism*, Anchor Press Doubleday, Garden City, New York, 1973, p. 13.

² In particular, as stated in the Select Committee Report, financial and other aid through CIA channels to the Christian Democratic Party and E. Frei personally brought him to victory in the 1964 presidential election (*Covert Action in Chile...*, p. 156).

million dollars.¹ In the first few years of the Alliance for Progress, the Agency for International Development (AID), which declared itself willing to provide assistance for the planning and greater efficiency of the Chilean economy, explained substantial U.S. aid to Chile by the need to help carry out Chile's ten-year economic development plan, although this plan did not clearly define any stages of the country's economic development nor outline any specific reforms. The Agency's attempts at reorganising the operation of Chile's economic planning bodies had no practical direction from the very start, and in the long run the AID gave them up in the mid-1960s. The structural imperfection of Chile's government institutions was compounded by the inability of the Agency's experts to work out a plan for rational development of the country's economy. It failed to make adequate evaluations of the Chilean Government's economic development plans and individual programmes and provided no objective research Chile could have based her economic policy on.² Nevertheless, AID funds to Chile continued to increase—from 41.3 million dollars in 1963 to 78.8 million dollars in 1964.³

By 1963 the U.S. Administration resolved to channel its economic aid to Chile not into any structural reforms in her economy but into the Chilean Government's limited financial programmes to stabilise home market prices and prepare a monetary reform. That policy, however, neither stabilised the country's finances nor promoted its economic de-

¹ U. S. Congress, House, Committee on Banking and Currency, *Latin American Economist Study*, 91st Congress, 1st session, October 1969 (Washington: U.S. Government Printing Office, 1969), p. 19. U.S. Congress, Senate, Committee on Foreign Relations, Subcommittee on Multinational Corporations: *Multinational Corporations and United States Foreign Policy*, Part I, p. 13.

² U.S. Congress, Senate, Committee on Government Operations, Subcommittee on Foreign Aid Expenditures, *United States Foreign Aid in Action: A Case Study*, 89th Congress, 2nd session (Washington: U.S. Government Printing Office, 1966), pp. 50-51. Cited from: J. Petras and M. Morley, *United States and Chile: Imperialism and the Overthrow of the Allende Government*, New York and London, Monthly Review Press, 1975, p. 22.

³ U. S. Congress, House, Committee on Foreign Affairs, *Development Assistance to Latin America 1961-1970*, April 14, 1971, Committee Print (Washington: U.S. Government Printing Office, 1971), pp. 9-10 (Tables 9 and 10). Cited from: J. Petras, M. Morley, op. cit., p. 22.

velopment. The inflation rate in 1963 and 1964 was up by 40 per cent on the preceding two years, the balance of trade deficit increased and economic growth rates slowed down.

The comprehensive U.S. aid programme for Chile in 1964 (a 55-million-dollar loan under the economic aid programme, a 15-million-dollar credit from the Export-Import Bank and another 15-million-dollar loan by agreement with the U.S. Treasury) was based on political considerations: to prevent any cutback in foreign investment and a rise in the balance of payment deficit so as to avoid a financial crisis and an abrupt increase of unemployment in the year of the presidential election which the U.S. feared could be won by Salvador Allende.¹

The appropriations for 1964 comprised a 40-million-dollar loan granted by the United States in order to bring down unemployment rates in Chile. "*We did not want to have a condition of vast unemployment as Chile was going into the election,*" recalled a former AID official.²

Yet another "political" loan was one of 15 million dollars which the U.S. granted to Chile in May 1964 to meet import expenses. The aim of that loan was to bring down the inflation rate in the election period by financing Chile's extra purchases abroad.³

During the 1960s the Agency for International Development went on pressing for more aid to Chile. In 1965 through 1970 it issued a 1,800-million-dollar insurance loan. The House Committee on Foreign Affairs maintained that this loan was part of the U.S. policy of supporting President Frei's Christian Democratic government, although there was no ratified bilateral agreement between the USA and Chile. President Frei's government also received considerable economic aid in the shape of loans and grants from U.S. federal banks and U.S.-influenced international financial organisations. The Export-Import Bank granted Chile 254.4 million dollars' worth of loans from 1967 to 1969. The

¹ U. S. Congress, Senate, Committee on Government Operations, Subcommittee on Foreign Aid Expenditures, *United States Foreign Aid in Action: A Case Study*, 89th Congress, 2nd session (Washington U. S. Government Printing Office, 1966), p. 106. Cited from: J. Petras, M. Morley, op. cit., p. 23.

² *The Washington Post*, April 6, 1973, p. A12.

³ Joan M. Nelson, *Aid, Influence and Foreign Policy*, Macmillan Co., New York, 1968, p. 99.

International Bank for Reconstruction and Development and the Inter-American Development Bank granted Chile 98 and 192.1 million dollars' worth of loans respectively from 1965 to 1970. By December 1970 Chile's debt to foreign governmental, international and private financial organisations reached 3,830 million dollars. Most of this amount was the debt to federal and private credit institutions of the United States.

As one can see from foregoing facts as well as from reports of the hearings in U.S. Congressional committees, reports from credit and financial institutions, testimony furnished by high-ranking clerks of American official and private organisations, in investing huge funds in Chile, the United States guided itself largely, along with economic benefits, by political motives which took precedence of economic considerations in certain periods.

The generous financial aid from the U.S. Government and corporations to Frei in his struggle against Allende during the presidential election and later on to President Frei's government in his struggle against the left political parties as well as co-operation between the USA and Chile in the military field furnished striking evidence of this policy of the U.S. ruling circles. It must be emphasised, besides, that the consistency of U.S. economic measures in respect of Chile and its systematic and persistent intention to undermine the positions of the left forces, even before the Popular Unity government took over, defeat the argument that the U.S. Administration's anti-Chilean policy in 1970-1973 was a reply to the actions by President Allende's government.

A review of the U.S. economic policy towards Chile prior to the advent of the left forces to power and while President Allende's government was in office, provided additional evidence to show that in all circumstances the United States governs itself, first and foremost, by the intention to preserve the pro-imperialist regimes it finds to its advantage, while opposing any reinforcement of anti-imperialist, democratic forces; the second thing to be taken into account is the plans to ensure the interests of individual monopolies, and the last one—considerations regarding the development of the national economy if, of course, it meets U.S. interests.

As the role of U.S. capital increased in the Chilean economy and a pro-U.S. ideology implanted itself in Chile's

political and social systems, the CIA-led American secret services extended their operations in Chile, geared principally to countering the mounting anti-imperialist movement.

The CIA became extremely active in Chile in the closing stages of the presidency of J. Alessandri (1958-1964) who held extremely conservative political views. During its term of office, the Alessandri government forfeited the support of large sections of the population as a result of its overt advocacy of the interests of foreign and local big business. General resentment at its policy was well in evidence during the 1961 congressional elections and the 1964 municipal elections. The prestige of the Popular Action Front—a bloc of left forces, which gained notable headway, was on the rise, too. The U.S. Administration and corporations were rather uneasy over the possibility of a left victory in the 1964 presidential election.

As admitted in the report of the Senate Select Committee which has studied U.S. covert action in Chile, the U.S. Administration authorised over 3 million dollars during the 1962-1964 period to prevent the election of the left candidate Salvador Allende as President of the Republic. A total of nearly 4 million dollars were spent during that period on covert action projects, forming anti-socialist and anti-communist organisations among slum dwellers, or passing funds to Chile's leading political parties.¹ The idea behind it was to neutralise, or, at least, reduce to the minimum the influence of the left forces in the Chilean government which was to be formed after the 1964 election.

In 1965, the USA launched an armed invasion against the Dominican Republic. The Frei government in Chile, compelled to reckon with the feeling of the general public, deplored that act of aggression and opposed the idea of setting up an "inter-American" police force. Washington decided to bring pressure to bear on Chile. Back at the time of the Johnson Administration, there was a Project Camelot, drawn up by experts of the CIA and the Defence Intelligence Agency in 1964. The project, disguised as "research studies" in Chile's universities and government institutions, was intended to gather whatever evidence would be required in the economic and political field to enable a constant evaluation of the internal potential of Chilean society and a

¹ *Covert Action in Chile...*, p. 161.

readiness to stave off all threat to U.S. monopoly interests in good time or any possibility of revolutionary action or social upheavals. The U.S. Administration needed all that information in order to interfere in Chilean affairs "on time" and to offer "fraternal assistance" to Chilean reaction—economic, political and military, should there be a sudden danger of that country going left "due to the irresponsibility of its own people", as the then U.S. Secretary of State Henry Kissinger cynically remarked.¹

In short, with the aid of Project Camelot, the Pentagon and the CIA intended to set up a thoroughgoing system of shadowing in all sections of Chilean society. Spying in religious organisations, trade unions, among political leaders, servicemen, lawyers, diplomats and teachers was done by agents recruited from among the local population. The initial outlay alone for this project for 1965 through 1970 was 5.5 million dollars.

Information about Project Camelot, as an attempt by the USA to adjust its expansionist policy to the new situation, soon found its way into the Chilean press. Newspapers of all political trends joined in denouncing the project. Some wrote that Project Camelot was "intended to investigate the military and political situation prevailing in Chile and to determine the possibility of an anti-democratic coup".² A scandal broke out. A number of political parties and the Frei government itself declared their public protests.

"Subsequent facts," a prominent Chilean political journalist Eduardo Labarca Goddard wrote, "demonstrated that neither the U.S. Government, nor its two right hands—the Pentagon and the CIA—renounced the use of university and scientific channels to keep watching Chile's home life through the keyhole."³

And although, as representatives of the U.S. Government admitted afterwards, the project could not be carried out in full measure, an analysis of the results of an incomplete operation confirmed the Johnson Administration's worst

¹ *The New York Times*, September 11, 1974, p. 14.

² Victor Marchetti and John D. Marks, *The CIA and the Cult of Intelligence*, Jonathan Cape, Thirty Bedford Square, London, 1974, p. 16.

³ Eduardo Labarca Goddard, *Chile invadido*, Editora Austral, Santiago, 1968, p. 251.

fears: Chile could become a second socialist republic on the continent, after Cuba.

The United States considered the Popular Action Front, representing a union of the Chilean Socialist, Communist and some smaller non-Marxist parties, which had Salvador Allende as its presidential candidate, to be its major political adversary in Chile. Accordingly, U.S. policy in Chile during that period was to support the Christian Democratic Party and the Democratic Front (a coalition of rightist parties) and to conduct an anti-communist propaganda campaign, etc.

As the Senate Committee disclosed, a basis for such action during the period immediately preceding the 1964 election was laid back in 1961, when operational connections with Chile's main bourgeois political parties were established and the creation of a propaganda and organisational setup capable of keeping public opinion under their influence was completed. The CIA-conducted projects among peasants, slum dwellers, organised labour, students and the media since the 1950s also played quite an essential role in much of the pre-election covert action.¹

The main problem faced by the USA two years prior to the election was to decide which party and candidate to prefer in opposition to the left bloc. What made it harder was that the American ruling establishment was still divided on this issue. On April 2, 1962, the CIA presented two papers to a Special Group,² to please influential monopoly

¹ *Covert Action in Chile...*, p. 161.

² The Special Group—an ultra-secret interdepartmental agency of the U. S. National Security Council that “decides when and whether to turn the CIA loose in undercover operations against foreign governments”. In other words, the Special Group was authorised to exercise top-level control over U. S. intelligence activities abroad “involving a big risk”. It has existed since the 1950s under various names: first as 5412 Panel, then as Special Group from 1954 to 1964, and subsequently as 303 Committee from June 24, 1964 to 1969, and, finally as 40 Committee until quite recently. Members of the 40 Committee included the presidential national security adviser (Committee Chief), CIA Director, Under-Secretary of State for Political Affairs, Under-Secretary of Defence, Chairman of the Joint Chiefs of Staff. (Justice Secretary John Mitchell was also on the Committee when the Chilean problem was under consideration.) The very existence of the 40 Committee was known to a restricted group of high-ranking officials until the undercover operations it had sanctioned in Chile became known to the public. *U. S. News and World Report*, September 30, 1974, p. 33.

quarters: one recommended staking on the Christian Democratic Party and the other on the Radical Party. The Special Group approved both recommendations.¹ Therefore the U.S. political strategy at the time was one of supporting (just to be on the safe side) two presidential candidates in Chile.

On August 27, 1962, the Special Group sanctioned 180,000 dollars in fiscal year 1963 for the Chilean Christian Democrats through a third-country funding channel.² The U.S. Administration wanted Chile at that time to be ruled by a right-of-centre government consisting of Radicals (right) and Christian Democrats (centre). Yet the political events in Chile in 1962-1963 and, above all, the formation of an alliance of rightist forces, including the Radical Party, prevented the establishment of a right-of-centre coalition. Therefore, during 1963 the USA was financing the Christian Democratic Party and a rightist coalition—the Democratic Front.

The results of the congressional primaries of March 1964, in the agricultural province of Curicó, where the bulk of the population used to hold conservative views and were thought certain to vote for the Democratic Front, unexpectedly produced a telling effect on the alignment of political forces in the country. The candidate of the bloc of left parties polled 10 per cent more votes than the one in 1963, while the number of votes cast for the candidate of the Democratic Front—the governmental bloc of right-wing parties (Radical, Liberal and Conservative), was down by 17 per cent from 1963.³ The Democratic Front broke up. The Conservatives and Liberals, frightened by a possible victory of the left candidate, rushed to the rescue of the Christian Democratic candidate Frei. The only support which the former candidate of the Democratic Front Julio Durán retained was that of the Radical Party. The United States also diverted its aid to the candidate of the Christian Democratic Party, although, as testified by the Select Committee, "CIA funds continued to subsidise the Radical Party candidate in order to enhance the Christian Democrats' image as a moderate progressive party being attacked

¹ *Covert Action in Chile...*, p. 161.

² *Ibid.*, p. 162.

³ Frederico G. Gil, *The Political System of Chile*, Houghton Mifflin Co., Boston, 1966, p. 242.

from the right as well as the left".¹

A special interdepartmental commission of representatives of the White House, the State Department and the CIA was established in Washington to manage the election effort in Chile and co-ordinate this action with the U.S. top leadership in Washington. It consisted of the Assistant Secretary of State for Inter-American Affairs, Thomas Mann; high-ranking officials of the White House Ralph Dungan and McGeorge Bundy, the Western Hemisphere Division Chief of the CIA Desmond Fitzgerald, and also the Chief of the Western Hemisphere Division Branch Four, the branch that has jurisdiction over Chile.² A similar commission was formed at the U.S. Embassy in Santiago of the Ambassador, the CIA Station Chief, the Deputy Head of the military mission and the chiefs of the political and economic departments. The staff of the CIA Station in Santiago was sharply increased. Besides, about 100 CIA secret agents were smuggled into Chile from the USA and certain Latin American countries for "auxiliary operations".³

As stated in the Senate Committee's report, "Covert American activity was a factor in almost every major election in Chile in the decade between 1963 and 1973. In several instances the United States intervention was massive."⁴

The greatest effort among other covert action projects during the 1964 election campaign in Chile was in the field of propaganda. This kind of action had been conducted on a certain scale in Chile in "normal periods of her history" as well. Of the 30-odd covert action projects, undertaken by the CIA in Chile from 1961 to 1964, about one-fifth had something to do with propaganda. Propaganda was likewise an important auxiliary element of many other projects, particularly those involved in the election effort.

One technique the CIA applied most often to carry out its propaganda programmes was to infiltrate its own undercover agents into media organisations in order, for example, to place or order the articles they wanted. Most of them represented leading daily newspapers of Santiago which played the major role in carrying out CIA propaganda

¹ *Covert Action in Chile...*, p. 162.

² *Ibid.*, p. 163.

³ *The Washington Post*, April 6, 1973, pp. A1, A12.

⁴ *Covert Action in Chile...*, p. 156.

programmes. On instructions from intelligence headquarters they wrote articles to vindicate the U.S. worldwide positions and interests, held up the publication of news unfavourable for the United States, and forged documents for the press to discredit Chile's left parties. The CIA constantly supplied its Station with appropriate instructions regarding the type of propaganda desirable at each particular moment.

In addition to buying the media piecemeal, the CIA, as stated in the Select Committee's report, "often purchased it wholesale by subsidising Chilean media organisations friendly to the United States".¹ So, instead of arranging for the publication of individual items, the CIA supported or even completely financed individual sections of the media which could not have existed without such aid. From 1953 to 1970 the CIA subsidised the enterprises of the telephone and telegraph services in Chile, members of the staff of periodical publications for intellectuals, a right-wing weekly newspaper. According to the testimony of former CIA officials before the Select Committee, the support for the newspaper was terminated in the long run because it "became so inflexibly rightist as to alienate responsible conservatives".²

A frenzied anti-communist propaganda campaign mounted by the CIA in advance of the 1964 election involved extensive use of the press, radio, films, pamphlets, posters, leaflets, direct mailings, paper streamers and wall painting. That was what the Select Committee described as a "scare campaign" which relied heavily on images of Soviet tanks and Cuban firing squads and was directed especially to women. Hundreds of thousands of copies of the anti-communist pastoral letter of Pope Pius XI were distributed by Christian Democratic organisations. They carried the designation, "printed privately by citizens without political affiliation, in order more broadly to disseminate its content".³

Extensive use was made of the method of false reporting and "black propaganda", that is, one of publishing material falsely attributed to some source (for instance, to the Communist Party of Chile) for inciting differences between

¹ Ibid., p. 155.

² Ibid.

³ Ibid., p. 162.

Communists and Socialists, the Central Workers' Union (CUT) and the Communist Party.

Towards midsummer, the anti-communist propaganda campaign reached its peak (the election was scheduled for September). In the second half of June 1964, the CIA-funded propaganda group "produced" twenty radio spots per day in Santiago and on 44 provincial stations; twelve-minute news broadcasts five times daily on three Santiago stations and 24 provincial outlets, thousands of cartoons, and much paid press advertising. By the end of June, the CIA propaganda group "produced" 24 daily "newscasts" in Santiago and the provinces, 26 weekly "commentary" programmes, and distributed 3,000 posters daily.¹

As CIA officials believe, the anti-communist scare campaign was the most effective of all the efforts made by the United States for supporting the Christian Democratic Party's candidate.

The propaganda campaign outside Chile was no less intensive, with articles made to order for the CIA and published abroad, being "replayed" in Chile.²

Yet another major aspect of CIA action in Chile in the period preceding the 1964 election was, as partly referred to earlier on, the secret funding of the bourgeois political parties, above all, the Christian Democratic Party, as well as some private groups. Over half the total expenses related to the Christian Democratic Party's election campaign of 1964 were paid out of the U.S. intelligence funds. Besides, the CIA Station offered financial aid to a wide range of student, women's, trade union and peasants' organisations gravitating towards the Christian Democratic Party by their views. Financial aid, as stated earlier on, was given to the Radical Party as well as some other political parties, so as to reinforce their positions in the pre-election struggle against the left bloc led by Salvador Allende.

The CIA turned, notably, to the International Fund of Economic Development for money to pay to peasants' organisations, as it financed Frei's election campaign.

¹ Ibid., pp. 162-63.

² Local newspapers reported, for example, an endorsement of Frei by the sister of a Latin American leader, a public letter from a former president in exile in the U. S., a "message from the women in Venezuela", and "dire warnings" about an Allende victory from various figures in military governments in Latin America (Ibid., p. 163).

"U.S. Government intervention in Chile in 1964 was blatant and almost obscene," said one strategically placed intelligence officer at the time. "We were shipping people off right and left, mainly State Department but also CIA with all sorts of covers."¹

The U.S. State Department's role in the 1964 election campaign in Chile was enormous, as the American press subsequently admitted, although "the State Department maintained a facade of neutrality and proclaimed it from time to time.... Individual officers—and economic counsellors—would look for opportunities [to influence the course of elections in Chile.—*F.S.*] And where it was a question of passing money, forming a newspaper or community development programme, the operational people would do the work. The AID (Agency for International Development) found itself suddenly overstaffed, looking around for peasant groups or projects for slum dwellers... Once you established a policy of building support [for Frei as candidate.—*Ed.*] among peasant groups, government workers and trade unions, the strategies fell into place."²

The U.S. Government sponsored and paid for special political polls, analysed Frei's campaign, gave him extraordinary consolation and comfort, all under the aegis of the then U.S. Ambassador Ralph Dungan, as stated in the report of the Subcommittee on Multinational Corporations, U.S. Senate Committee on Foreign Relations.³

U.S. monopolies, too, had their full part to play in the pre-election campaign. A group of American businessmen with interests in Chile offered to provide one and a half million dollars to the U.S. Government towards funding its covert actions to prevent Allende from winning the 1964 presidential election.⁴ The 303 Committee (as the Special

¹ *The Washington Post*, April 6, 1973, p. A12.

² *The Washington Post*, July 11, 1974, p. A3. Cited from : J. Petras, M. Morley, op. cit., p. 21.

³ U. S. Congress, Senate, Committee on Foreign Relations, Subcommittee on Multinational Corporations, *Multinational Corporations and United States Foreign Policy, Part 2*, 93rd Congress, March 20, 21, 22, 27, 28, 29 and April 4, 1973, Washington, U. S. Government Printing Office, 1973, p. 704, Cited from: J. Petras, M. Morley, op. cit., p. 173.

⁴ *Covert Action in Chile...*, p. 163.

Group came to be called after June 24, 1964), through which the offer had been made, turned it down. Nevertheless, CIA money, disguised as private donations, was passed to the Christian Democratic Party through individual businessmen. U.S. mining companies indirectly helped towards consolidating Frei's position by having accepted his programme for the "Chileanisation" of the copper industry which they regarded as the only realistic alternative to nationalisation. High-ranking government officials in Washington have admitted privately that Frei's election was largely facilitated by the action of U.S. companies which held the shares of Chile's copper mines and by the U.S. Information Agency.¹

With a wealth of experience of intervention in the internal affairs of Latin American states, U.S. federal institutions and secret services were well aware of the important role the Chilean Army could play in any particular critical political situation. Therefore, to strengthen the bond with the military was an important line of their action in Chile.

The greatest ever inflow of U.S. military specialists was a factor of the 1964 pre-election period. A further 45 servicemen were sent from the USA to Chile in 1963 (in addition to the 16 members of the U.S. Embassy's military mission who were already there) and assigned to military missions in various parts of the country. And another 35 U.S. Army officers arrived in Chile within two to three months of the presidential election. At the time of the election, Chilean Army units were reported to be engaged, as if by chance, in "anti-subversive exercises", and joint exercises of the Army and the Navy were scheduled to take place just when the Chilean Congress was to elect the new president, if none of the candidates polled an absolute majority.²

A possible left victory immeasurably worried certain quarters among the Chilean officer corps, intimately connected with home reaction. It was subsequently learned that the Radical candidate for election, certain servicemen and ex-politicians from Latin American countries had met on

¹ David J. Morris, *We Must Make Haste—Slowly. The Process of Revolution in Chile*, Random House, New York, 1973, p. 56.

² Miles D. Wolpin, *Cuban Foreign Policy and Chilean Politics*, D. C. Heath and Co., Lexington, Mass., 1972, p. 92.

June 2, 1964, to organise a rightist group called the Legion of Liberty. The members of the group intended to stage a coup d'état if Allende was elected president or if Frei won and sought a coalition government with the Communist Party.¹

On July 19, 1964, members of the Chilean Defence Council, which is the equivalent of the U.S. Joint Chiefs of Staff, went to President Alessandri to propose a coup d'état if Allende was elected president. This offer was transmitted to the CIA Chief of Station in Santiago who told the Chilean Defence Council through an intermediary that the United States, positive about a "happy end" of the election, was opposed to a coup. Nevertheless, on July 20, the Deputy Chief of the U.S. Embassy's Military Mission in Santiago was approached by a Chilean Air Force general who, without mincing matters, declared that there would be a military coup if Allende won.²

As stated in the Select Committee report, some Chilean military officers thought it was better to stage a coup d'état before the election if only the USA agreed to support it. That offer, however, was rebuffed by the CIA.³

The Christian Democratic candidate Frei polled an absolute majority of votes, with active U.S. backing, in the 1964 election, and became President. CIA aid enabled the Christian Democratic Party to set up a wide network of its organisations in town and countryside which assured it subsequent support from certain sections of the population in carrying out its reformist measures.

During the period between the election of Frei as President in 1964 and the presidential election campaign of 1970, the CIA persisted in its covert activities in Chile which were intended mostly to strengthen President Frei's positions and to oppose the growing influences and popularity of the left bloc. As testified by the Select Committee, the CIA spent a total of almost 2 million dollars on covert action in Chile during this period, of which one-fourth was covered by 40 Committee authorisations for specific major political action efforts. For example, in February 1965 the 303 Committee (forerunner of the 40 Committee) approved

¹ *Covert Action in Chile...*, p. 164.

² *Ibid.*, 163-64.

³ *Ibid.*, p. 164.

175,000 dollars for a short-term political action project to provide covert support to selected candidates in the March 1965 congressional elections in Chile. With reference to CIA documents, the Select Committee recorded that twenty-two candidates were selected by the Station and the Ambassador; nine were elected. The CIA operation helped defeat up to 13 FRAP candidates who could otherwise have won congressional seats.

In 1967 the 303 Committee approved 30,000 dollars to strengthen the right wing of the Radical Party. Another election effort was authorised in July 1968. In preparation for the March 1969 congressional election, the 40 Committee authorised 350,000 dollars for this effort with the objective of strengthening moderate political parties and groups. The programme provided financial aid to candidates supporting a splinter Socialist Party in order to attract votes away from the Allende-led bloc. Considerable funds were authorised for propaganda and for supporting "independent" political groups.

The Select Committee stated in its report that during the period in question "the CIA regarded the election effort as successful in meeting its limited objective".¹ Ten of the twelve candidates selected for support won their races, including one very unexpected victory. The Socialist Party lost a minimum of seven congressional seats.

Further headway was made in the effort launched during the 1964 election campaign to increase the membership and popularity of the Christian Democratic Party. The U.S. Government was also striving to influence all kind of government institutions and organised groups in Chilean society so as to have them serve its own interests. The specific objectives of these efforts were rather diverse—from attempts at directly influencing the men responsible for Chile's official policy to countering the influence of the left parties.

During this period, the CIA established contact and co-operation at cabinet level with a Chilean official though with scant results, as testified by the Select Committee.² There were, besides, all kinds of projects under way to establish CIA control over various organised groups in

¹ Ibid., pp. 164-65.

² Ibid., p. 165.

Chilean society. They had more diffuse purposes than efforts aimed at government institutions or political parties. But their common aim "was similar: influencing the direction of political events in Chile" as well as "the political development of various sectors of Chilean society".¹ In practical terms, the CIA was to succeed in depriving Communists of their control over student university organisations; intervention in the activities of the various groups of the women's movement; discrediting the mass working-class organisations with predominant communist influence; and finally supporting the "democratic" working-class organisations and Catholic labour unions.

One of the projects launched even before the 1964 election to strengthen the positions of the Christian Democratic Party among the peasants and slum dwellers, went on after the election in order to assist in organising and directing the activities of "anti-Communists" in the said sectors of society. This programme was suspended after the CIA's financial connections with private and public organisations inside and outside the USA became known to the world community in 1967.

Unlike the 1965-1969 programmes, which had a direct effect on the elections, the CIA projects connected with the working-class organisations and the "development of Chilean society" did not succeed, even in the judgement of the CIA's own specialists, and could not prevent the growth of the population's affections for the left parties and a rise in the number of their organisations among the workers, peasants and poor urban dwellers. Nor did the propaganda programme have any great effect, beyond that of polarising public opinion about subsequent potential ways of the development of Chilean society. The propaganda devices created by the CIA in the 60s were successfully used, as we will yet see in the 1970 election campaign and during the Allende government's lifetime.

U.S. intervention in the 1970 election campaign was on a lower scale than in 1964, according to official admissions. In March 1970, the Select Committee said in its report, the 40 Committee decided that in the coming presidential election the United States should not support any particular candidate but aim mostly at organising subversive activities

¹ Ibid., pp. 156, 165.

against the Popular Unity coalition and its candidate Salvador Allende.

According to official American sources, the CIA spent from 800,000 to 1,000,000 dollars¹ on covert action to affect the outcome of the 1970 presidential election. The funding of about half this amount by the CIA was authorised by the 40 Committee and designed for major operations.

Controversy in the upper echelons of the U.S. Government over the presidential election in Chile in 1970 began soon after the congressional elections in March 1969. The CIA's involvement in those elections was regarded by Washington as relatively successful. Having received 350,000 dollars for that effort in June 1968, authorised by the 40 Committee, the CIA got down to appropriate undercover operations. As a result, ten of the twelve CIA-supported candidates were elected. However, the Christian Democrats' portion of the vote fell from 43 per cent in 1965 to 31 per cent in 1969.²

It is likewise on record that the issue of the Chilean presidential election was taken up at a special meeting of the 40 Committee, April 17, 1969. It was admitted even at that time that something substantial had to be done. A CIA representative attending the meeting pointed out, invoking the 1964 experience, that the election campaign operations could succeed only if started well in advance.

Most of the struggle during the 1970 presidential election was between three candidates. The National Party was backing the former 74-year-old President Alessandri. The Christian Democratic Party nominated Radomiro Tomich. Salvador Allende was once more the candidate of the Popular Unity bloc. The political platform he had announced provided for nationalising copper mines, accelerating the agrarian reform, raising the working people's incomes and closer co-operation with the countries of the socialist community.

In December 1969 the U.S. Embassy and the CIA Station in Chile submitted to Washington a plan for joint action against the Popular Unity coalition and its presidential candidate.

That plan was not accepted at first, because the State

¹ Ibid., p. 167.

² Ibid.

Department had evidently not yet formed its final judgement on the character and scale of U.S. involvement in the Chilean election. The CIA found it inadvisable this time to support the Christian Democratic Party candidate Tomich. One of the chief reasons behind such a decision was, according to the opinion of Western observers we had referred to, the loss of popularity by that party's government while it was in office. Political experts considered the former Chilean President Alessandri to be more promising among the candidates that suited the United States.

On March 25, 1970, the 40 Committee reviewed and approved the joint action plan proposed by the CIA Station and the U.S. Embassy in Chile. The principal idea of the plan was to prevent a possible election victory of the left candidate Salvador Allende by a wide range of measures aimed at intervening in Chile's internal affairs. 135,000 dollars were set aside to cover the immediate expenses the project involved. On June 27, the 40 Committee authorised a further 300,000 dollars for this purpose by the CIA.

In the course of July high-ranking CIA officials several times met official representatives of the multinational ITT corporation. The CIA turned down ITT's proposal to make funds available for CIA transmission to Alessandri, naturally, because that fact, if disclosed, could touch off an international scandal. ITT representatives were provided with "qualified advice" on how to pass money through "third" organisations. In the course of the election campaign, ITT, using the CIA-proposed channels, passed 350,000 dollars to Alessandri personally and to the National Party. Another 350,000 dollars came from other U.S. businesses.¹

The plan approved by 40 Committee had two objectives: first, to counter the efforts towards creating a solid left bloc which could make progress in the presidential election and second, to strengthen the positions of non-Marxist political leaders and organisations so as to create a powerful alternative coalition to oppose the Popular Unity Front.

Those objectives were to be achieved by means of several CIA-sponsored covert action projects. The emphasis was, above all, on a massive anti-communist propaganda campaign using all mass media both in and outside Chile. The CIA was getting substantial backing from the right-wing

¹ Ibid., p. 168.

groups in the women's movement and "civil action" groups it financed.

The scare campaign linking a possible victory of the left forces with a reign of violence and repression, looked in many ways like that of 1964. Besides, efforts were made to split the Radical Party, thereby reducing the number of votes it could have given to the Popular Unity candidate. "Black propaganda" tactics were also extensively used to generate discord between the Socialist and Communist parties.

The organisational and propaganda machinery, created by the CIA during the preceding presidential election, served to spread the anti-communist campaign in Chile in 1970. One of them, widely applied during the congressional elections in March 1969, was used by the CIA to organise the issue of hundreds of thousands of well-produced publications—ranging from posters and leaflets to children's books with pictures. The system of financing groups of journalists, producing newspaper articles of a certain political content on orders from the CIA as well as reviews and news items for radio and a system of publication of anti-communist material and its broadcasting were revived and expanded.

The propaganda material supplied through CIA channels was vast and varied. For example, weekly news roundups were mailed to some two thousand journalists, scientists, politicians and other influential individuals; and pamphlets were published to show "what life will be like if Allende wins the election"; anti-Soviet literature was published and distributed; there were direct mailings, posters and wall painting. Teams of "wall-painters" were called on to draw two thousand posters per day with communist firing squads as their main subject. One object behind the propaganda campaign to "scare" the man in the street was to convince him that Allende's victory would put an end to religious and family traditions in Chile.

There was a well-oiled CIA project under way to finance its individual agents in the press. One of them, preparing political radio commentaries, relayed through the country, had co-operated with the CIA since 1965 and went on doing so in the years of Allende's presidency. Other CIA agents, connected with *El Mercurio* newspaper, enabled the Station to publish articles written under U.S. intelligence direction in every issue.

The agents connected with *El Mercurio* were extremely important for the CIA also in the sense that their articles were broadcast through the national radio network. Moreover, *El Mercurio* was one of the most influential newspapers on the Latin American continent, particularly, in foreign business communities. The CIA estimated that the propaganda material it distributed in 1970 reached an audience of well over five million readers and listeners.¹

The U.S.-staged campaign of subversion during the period preceding the 1970 presidential election in Chile failed. It was Salvador Allende who won on September 4, 1970. However, since he had polled only a relative, not absolute majority of the vote, a joint congressional session was to choose the President from between the two candidates with the largest portions of the vote within a few weeks, on October 24, in accordance with the Chilean Constitution.

The real opportunity for the Popular Unity coalition to come to power alarmed U.S. monopolies and the local financial oligarchy as well as the landed aristocracy intimately connected with them. Internal and external reaction rallied to avert the final victory of the representative of the left forces, Salvador Allende, and to bring the Junta to power. What they wanted, in other words, as the U.S. press said, was to repeat in Chile "the cruellest and most productive experiment" ever undertaken by U.S. imperialism in Latin America—the "Brazilian experiment".

¹ Ibid., p. 169.

Chapter II "BRAZILIAN EXPERIMENT"

The subversive anti-democratic actions by the United States in Chile which culminated in the second half of the 1960s and in the early 1970s cannot be treated in isolation from the rest of U.S. imperialist policy on the continent. Brazil provides a typical case of this policy at work.

It was by no accident that Western propaganda began to talk about the "Brazilian experiment". The situation—resembling the Chilean one in many ways—that arose in Brazil in the early 1960s, right after the abortive attempt at overthrowing the revolutionary Cuban Government by an armed invasion, alarmed the U.S. Administration.

A Front of National Liberation, grouping the country's patriotic forces in action to defend the national interests against the "domination by the dollar and U.S. imperialism" and for far-reaching democratic change and a forward-looking foreign policy, was formed in the autumn of 1961. The bourgeois reformist government of President João Goulart, coming to office, launched, under pressure from the masses, a consistent offensive against foreign capital, particularly U.S. monopolies which were virtually in control of that mineral-rich country.¹ In spite of unending pressure from

¹ As estimated by Brazilian economists, in the late 50s foreign capital controlled production in such industries as motor—90 per cent, tobacco—85 per cent, power—82 per cent, machine-tools—70 per cent, pharmaceuticals—70 per cent, chemicals—50 per cent, plastics—45 per cent, and cement—20 per cent.

U.S. imperialist quarters and reactionary forces at home, the new Brazilian Government attempted to bring the exploitation of the country's natural resources under state control, put forward a programme for a redistribution of the population's income to favour the worse-off classes and strove to draw these classes into the nation's political life. The position of the earlier established national oil company Petrobras (Petroleo Brasileiro) was considerably strengthened, and a state monopoly of oil prospecting, extraction and refining was imposed as was that of the import of oil and petroleum products, and a decree nationalising the oil refineries was issued. Besides, some legislation was enacted to restrict foreign corporate profit outflow (limiting it to 10 per cent), annul the mining concessions of the foreign companies working no deposits, and grant the Brazilians an exclusive right of mineral prospecting and development.

Obstruction of the normal exploitation of nationalised oil fields was countered by the government's drastic action in dismissing many U.S. specialists from Petrobras and replacing them by Brazilians. More oil-fields were discovered in the meantime. The production and refining of oil, the smelting of ferrous metals, the production of cement and electricity expanded and a motor industry was launched.¹

In international affairs, President Goulart's government came out against interference in the domestic affairs of revolutionary Cuba, openly condemned American imperialism's armed intervention in the Bay of Pigs as well as the attempts at setting up an anti-Cuban bloc of Latin American states; supported the demand in international organisations for general and complete disarmament and upheld the principle of peaceful coexistence of states with different social systems.

Right from the outset the United States took up an overtly hostile posture against President Goulart's government. The example of Brazil and her consistent action in ousting foreign monopolies had a contagious effect on the neighbouring countries of the continent, jeopardising U.S. domination. For Latin America had long since become a storehouse of raw materials as well as a strategic hinterland

¹ More in *Brazil Yesterday and Today* by B. I. Koval, Nauka Publishers, Moscow, 1975 (In Russian).

of the United States, and its monopolies had grown used to behaving there like full masters.

President Goulart's policy was thought to be dangerous, as the U.S. bourgeois press outspokenly declared, just because, first, it strengthened Brazil's sovereignty over her natural resources, ensuring her rapid transformation from an agrarian into a heavily industrialised country with a growing working class and developing national democratic institutions and, second, allowed her to build, independently of the United States, her relations with other countries and, notably, with the Soviet Union, Cuba, and the rest of the socialist world. The U.S. Administration and home-grown reaction feared that Brazil might turn into a "continental Cuba".

It is indicative that whichever of the two major parties may find itself in office and whatever president may happen to be in charge of the U.S. Administration, the aims of American foreign policy and the means used to pursue them remain stereotyped. The protection of the interests of monopoly capital and, consequently, anti-communism in its extreme manifestations induce the executive of the world's biggest imperialist power to resort to gross interference in the internal affairs of other nations whenever the profits of the "dollar empire" are in danger.

That was what happened to Brazil: a plan was hatched to bring down the constitutional government. The fall of President Goulart's regime was seen by the U.S. Administration as a major factor in the struggle against Communism in Latin America.¹

The USA exploited the situation in that country to further its own interests. President Goulart's home policy could not but intensify the class polarisation of Brazilian society. The political parties of the big bourgeoisie and middle classes set themselves to mustering social and political forces to mount effective resistance to the government which wanted the country to develop independently of foreign capital (the inflow of capital of private foreign corporations fell off from 277 million dollars in 1961 to 70 million dollars in 1963). The big and petty bourgeoisie was particularly worried by the increased political activity

¹ E. Morel, *O golpe começou em Washington*, Rio de Janeiro, 1965.

and improved economic condition of the worse-off sections of society. The petty bourgeoisie did not want to put up with a narrowing gap between its incomes and those of the workers. Led by the big bourgeoisie and backed by U.S. imperialist quarters, the petty bourgeoisie, frightened by the tidal wave of social radicalisation, was pressing ever harder for a military coup. The mood of the petty bourgeoisie told on the views and attitudes of many in the Armed Forces since this was the sector of society that had produced the bulk of Brazilian officers.

The U.S. Administration's fear that Goulart's accession to power could unfavourably affect the position of U.S. monopolies showed itself back at the time of the national elections in Brazil in October 1962. The outcome of that election campaign was appraised as the culminating point of the largest political action operation ever to have been carried out by the Western Hemisphere Division of the CIA. During the election campaign the CIA Station in Rio de Janeiro and its numerous branches at U.S. consular offices throughout the country spent several million dollars to support Goulart's political opponents running for various government posts (in Congress, federal and municipal authorities).¹ The Brazilian Institute for Democratic Action (IBAD)—one of the main pro-American reactionary organisations under CIA control in Rio de Janeiro—and a group which called itself Popular Democratic Action (ADEP) spent twelve million dollars during the 1962 election to finance anti-communist candidates.² Foreign sources supplied funds to support eight candidates for governorship in eleven states, fifteen candidates for the Federal Senate, 250 candidates for the Federal Chamber of Deputies and about 600 for State Legislatures. It was due to U.S. intelligence intervention that right-wing candidates were elected as governors of the two major states, São Paulo and Rio Grande. In the Federal Chamber the power balance of the three major parties remained roughly unchanged, which the CIA regarded as its partial victory.³

According to the testimony by a former American

¹ *The Washington Post*, July 11, 1974, p. A3.

² Philip Agee, *Inside the Company: CIA Diary*, Allen Lane, Penguin Books Ltd., London, 1975, p. 321.

³ Philip Agee, *op. cit.*, p. 321.

intelligence agent Philip Agee, widely known for his disclosures of the CIA's criminal activities, the parliamentary commission formed in May 1963, to investigate the abuses during the 1962 election campaign was likewise under CIA control since five of its nine members were themselves recipients of IBAD and ADEP funds.¹ And only the refusal of the First National City Bank, the Bank of Boston and the Royal Bank of Canada to reveal the foreign source of funds deposited for these two organisations "kept the lid from blowing off", as Agee put it.²

From then on the U.S. Administration based its anti-Brazilian policy on the CIA-proposed plan to exacerbate the economic problems facing the country, by "up-to-date" methods, and whip up the polarisation of Brazilian society, that is, to get the social groups hostile to the government (those of servicemen, middle classes, etc.) to come out against it and help them seize power in the interest of U.S. monopoly capital.

A wide range of measures were applied to resolve these problems. They were similar to those which were subsequently to be used on such a large scale in Chile: pressure on appropriate international financial organisations to get them to restrict credits to Brazil; granting generous financial aid to opposition groups inside the country; establishing close links between the Embassy in Rio de Janeiro and Goulart's military and civilian opponents, partisans of a coup d'état, and all possible support for them; extended training of Brazilian officers in the United States which was considered even at that time as an effective means of spreading U.S. influence and building up a pro-American feeling in Brazil's Armed Forces and police. One factor which contributed towards it was that Brazilian servicemen had traditional close connections with the United States. The Brazilian Expeditionary Corps under General Castelo Branco participat-

¹ Ibid.

² Nevertheless, both organisations were closed down by President Goulart late in August 1963, and parliamentary investigating commission had to conclude in its report, published in November, that these organisations had tried to influence the outcome of the 1962 election by illegal means. Naturally, President Goulart's edict banning the activities of the reactionary IBAD and ADEP organisations, which were in the service of the CIA, was one of immense political significance.

ed in the Second World War (the corps was shipped to Italy after British and American troops had landed there). Subsequently, Brazilians, encouraged by the United States, attended advanced training courses at the Fort Knox Military School and those of commanding and staff officers school at Fort-Levennoirte and two specialised schools—Special Warfare Training Centre at Fort Bragg and the Americas Military School in the Panama Canal zone, and they did so far more often than the servicemen of other countries of Latin America. All that, of course, was taken into account when the CIA contacted Brazilian servicemen and arranged for their proper training in the United States.

Finally, and this applied not only to Brazil, the U.S. Administration inaugurated a basically new policy with regard to illegal power takeover and installation of dictatorial regimes in Latin American countries.

The Pentagon and the State Department, too, were quite active, along with the CIA, in plotting against Brazil in what was part of a larger Washington-hatched conspiracy to “tame” the entire South American continent. The man who dealt with it was General Vernon A. Walters, a prominent CIA coup specialist. During the Second World War Walters was a liaison officer between Anglo-American forces and the Brazilian Expeditionary Corps in the Italian theatre. He had since been on friendly terms with General Castelo Branco. In 1964 Walters had been the Military Attaché of the U.S. Embassy in Rio de Janeiro for two years. Considering that, as has now come to light, the coup in Brazil began to be prepared in 1962, it will be clear that his appointment to that post was by no means accidental.

In the period from January to March 1964, the U.S. Government, informed by the CIA that the opposition groups favouring an armed coup in Brazil had grown in numbers and consolidated their positions inside the country, got down to action to tighten the international financial blockade of the Goulart government. That was followed by the refusal of the United States to reconsider the issue of Brazil's foreign debt. The Brazilian Government insisted on the repayment schedule being changed. However, the United States which was the major source of that country's external financing, was sitting on the fence accepting nothing beyond insignificant deferments, and turning down requests for further major investment in the country's

economy.¹ The talks between the United States and Brazil began right before the military coup.

To encourage the Brazilian military to come out against the government, President Johnson called a special behind-the-doors conference of all U.S. ambassadors, chargés d'affaires and heads of missions of the Agency for International Development in the countries of Latin America in March 1964, within less than a fortnight of the coup, at which Thomas Mann set out the substance of what some hastened to christen as "a more realistic" U.S. policy in respect of unconstitutional governments on the continent. Thomas Mann said then that the United States should give up the policy of opposing the conservative and military regimes and the idea of "good guys or bad guys" was no longer to be the decisive factor in shaping U.S. policy towards the countries of Latin America.²

The U.S. Ambassador Lincoln Gordon did not only openly criticise the Brazilian Government but offered his active support to the advocates of the coup with whom he had been closely connected ever since 1962.³ Not long before the coup, one of the members of the top group of civilian opposition to President Goulart (consisting mostly of representatives of the business community of the State of São Paulo) met the U.S. Ambassador to find out what the U.S. position would be if a protracted civil war broke out in Brazil. Reporting back, he said that "Gordon was cautious and diplomatic, but he left the impression that if the Paulistas could hold out for forty-eight hours they would get U.S. recognition and help".⁴

Thomas E. Skidmore in his book *Politics in Brazil, 1930-1964*, referring to the meeting of a member of the U.S. military mission in Rio de Janeiro with a representative

¹ Thomas E. Skidmore, *Politics in Brazil, 1930-1964*, Oxford University Press, New York, 1967, p. 271.

² *The New York Times*, March 19, 1964, pp. 1, 2.

³ The efforts the head of the American Embassy Lincoln Gordon made towards preparing this plot earned a high appraisal of the U. S. Administration. Soon after the coup, President Johnson appointed him to the post of Assistant Secretary of State for Inter-American Affairs, and the U. S. press, commenting on this appointment, emphasised that "President Johnson brings to Washington an advocate of the new United States policy on military coups in Latin America". (*The Christian Science Monitor*, January 20, 1966, p. 4.)

⁴ *Fortune*, September 1964, p. 214.

of military conspirators right before the start of the coup, points out that during that meeting, which took place at the U.S. Embassy, the organisers of the coup were assured that the United States would supply the military opponents of President Goulart with military equipment, if necessary.¹

The coup in Brazil began on March 31, on D day (the code-name of the military coup), right after an anti-government "family march with God in the name of Liberty", whose organisers had undertaken to convince the military command of the existence of powerful opposition to President Goulart in Brazil. It was Brazilian top brass that provided the major force of the coup, which took 38 hours to carry through. To fool the soldiers, the generals produced a traditional explanation that the nation had been plunged into a political chaos and nothing but the army could save Brazil from a reign of anarchy.

At daybreak, March 31, the governor of the State of Minas-Gerais, Magalhaes Pinto, and generals Mourais Filho and C. L. Guedes called out 4,000 garrison soldiers and 18,000 police for an armed rebellion against the central government. Military police established control at railway junctions, highways, petrol stations, etc. All private cars and buses were requisitioned and strategic points placed under military control. The coup was immediately supported by the Governor of São Paulo Adhemar de Barros on whose orders martial law was imposed in the city. Fourth Army units rose against the government in the State of Pernambuco. The Governor of Rio de Janeiro Carlos Lacerda ordered the arrest of left-wing trade union leaders who met for an emergency conference to decide on how to react to the uprising. In the night of March 31 the rebellion was supported by General Kruel, Commander of the Second Army (São Paulo).

The Johnson Administration, as transpired a year later, was informed of the course of events in Brazil and knew in advance that it would recognise the rebel government and would broadly co-operate with it in the economic field.² It is now thought certain that General Umberto Castelo Branco was eventually convinced to act against Goulart by the then U. S. Military Attaché General Vernon A.

¹ Thomas E. Skidmore, *op. cit.*

² E. Morel, *O Golpe começou em Washington*, *op. cit.*

Walters who was an old friend of Branco's, as mentioned earlier on. Another established fact is that "a week before the coup, Walters wired full details of its organisation to Washington and the day after Castelo Branco was inaugurated as President, lunched with him privately in the Presidential Palace".¹ Some information about the co-operation between the U. S. diplomatic representatives in Brazil and military rebels in the course of the coup itself was communicated by the then U. S. Consul General in São Paulo, Niles Bond. According to Bond's testimony, the U.S. Embassy in Brazil was very well informed about the progress of the coup.² More admissions and details of the part the CIA and the U. S. military mission played in the preparation of the coup in Brazil in 1964 came to light in January 1967. As *Folha de São Paulo* reported, referring to documentary evidence, the U. S. Embassy, active in plotting the coup, maintained close contact with the conspirators. The paper asserted that the plan of American strategists provided for U. S. marines to land in Brazil if a civil war broke out there.

The Goulart government found itself totally demoralised in the opening hours of the coup. While rumours spread throughout the country about the successful coup in Minas-Gerais and reaction launched a full-scale offensive, the President could not bring himself to order the units loyal to him into action to crush the rebellion. The government's fate was thus sealed. Power was seized by the so-called Supreme Revolutionary Command made up of commanders of the three services—General Costa e Silva (Land Forces), Vice-Admiral Augusto Rademacher Grünewald (Navy) and Brigadier-General Francisco de Assis Correia de Melo (Air Force). A few days later Marshal Umberto Castelo Branco, Chief of Staff of the Land Forces, the man who led the coup, became the country's President backed by reactionary generals.

President Johnson expressed his boundless satisfaction

¹ E. Bradford Burns, *Nationalism in Brazil*, A Historical Survey, Frederick A. Praeger, New York, 1968, p. 116.

General Vernon A. Walters, who was a key figure, along with Castelo Branco and Lincoln Gordon, in the coup in Brazil, was soon rewarded by the appointment to the post of Deputy CIA Director, a rare case of such promotion.

² Peter D. Bell, "Brazilian-American Relations", in: Riordan Roett, ed., *Brazil in the Sixties*, Vanderbilt University Press, Nashville, 1972, p. 90. Cited from: J. Petras, M. Morley, op. cit., p. 53.

with the coup in Brazil in a message he addressed to the head of the new provisional government, Ranieri Mazzilli, within twelve hours of his taking office.

The Branco Junta, representing the interests of big landowners and financial-industrial quarters linked with U.S. monopolies, dissolved the National Congress, the country's supreme legislature, took over its functions and installed a one-man military dictatorship with the President's full control of the government, comprising the power to dismiss elected officials, disfranchise any citizen or/and order him arrested without any legal ground whatsoever. The jurisdiction of military tribunals was extended to cover civilians in cases involving so-called national security. That started off a process of suppressing democracy: many members of Congress were arrested, trade unions outlawed, strikes banned, the student movement put down, thousands of political opponents of the military dictatorship subjected to torture and destroyed. The Junta wreaked violence not only upon the vanguard of the working class and the foremost sections of intellectuals, but also upon representatives of Brazil's petty bourgeoisie, middle class and big bourgeoisie who opposed the Wall Street bidding. Reprisals were brought down also on democratic groups of servicemen supporting President Goulart.

One of the active organisers of the military coup, Carlos Lacerda, the leader of right-wing opposition, declared later on that "in 1964 the United States was prepared to intervene militarily in Brazil if the regime of João Goulart had not been overthrown".¹ But with the aid of the Brazilian top brass defending the interests of privileged classes, the United States managed not only to bring down a constitutional government without an invasion, but to deal mercilessly with the left movement, suppressing it by fascist terror and installing the most reactionary regime in the Latin American continent, at the U.S. Administration's beck and call.

The success of the Brazil coup was largely due to U.S. involvement. Nevertheless, U.S. ruling circles floated a theory later on that the basic reason for the fall of President Goulart's government was his own inability to run the State. This theory was adopted by U.S. monopolies which had an aggregate of 1,500 million dollars invested in Brazil by the

¹ Juan Miguel de Mora, *Tiranos en América*, Mexico, 1967, p. 70.

time of the coup. Representatives of the business world were trying to explain the deterioration of the internal economic situation in Brazil, first of all, by the "irresponsible policy of the incompetent predecessor of the military government" and were, according to an American magazine "tremendously relieved" by the news of the overthrow of Goulart.¹ All that, as we will yet see, was carbon-copied in Chile.

The coup and the installation of a reactionary military dictatorship in Brazil were a blow to the entire liberation movement on the continent. The Branco government hastened to take all the necessary measures for "Brazil to regain the trust of foreign business". The Act on Limiting Foreign Corporate Profit Outflow was essentially amended to allow foreign investment in Brazil's economy to be registered in investor countries themselves; lift profit outflow restrictions with a provision for them to be reimposed only to meet a sharply increased balance of payments deficit; redefine foreign corporate profits reinvested in production as "foreign capital", not official capital; extend the time-limits for foreign companies to enjoy tax privileges.² Compensation was to be paid for foreign corporate property nationalised by the Goulart government, and private foreign companies were invited to share at will in tapping iron ore resources and in building Brazil's petrochemical industry. Many foreign companies obtained more concessions. Plans were afoot to sell the National Motor Industry to private monopolies and to promote co-operation between Petrobras and foreign oil companies.

The new government of Brazil opened the door for a large-scale penetration of foreign monopolies into the Brazilian economy and offered them a chance of operating almost uncontrolled. Meanwhile it persisted in public spending cuts which meant worsening the position of many Brazilian companies depending on the State financially. This, in turn, made it easier for foreign monopolies to swallow up "unprofitable" national enterprises. In the meantime the government of Brazil encouraged the inflow

¹ *Business International*, May 29, 1964, p. 1; *Business Week*, April 11, 1964, p. 72.

² James Petras and Morris Morley, *The United States and Chile: Imperialism and the Overthrow of the Allende Government*, Monthly Review Press, New York and London, 1975, p. 55.

of foreign capital and its merger with Brazilian official capital. The Brazilian Government provided investment security for the capital of foreign monopolies and supplied them with cheap manpower.

The U.S. Administration and international credit organisations offered all-round economic assistance to the military regime. A few days after the military coup, the Inter-American Development Bank authorised several loans to Brazil. In June 1964 the United States granted the Junta a 50-million-dollar emergency loan at 2 per cent interest rate.¹ It helped the new Brazilian Government create a semblance of certain financial respectability, so essential to it before the negotiations to review the schedule of repayment of Brazil's huge foreign debt. On July 2, 1964, the USA, Japan and Brazil's West European creditors agreed to revise 70 per cent of Brazil's obligations which were to have been met in 1964 and 1965. That implied a deferment of more than half of Brazil's foreign debt amounting to some 3,000 million dollars (with 1,300 million dollars due to the United States) which eased the Junta's position enough to let it get down to the most urgent economic problems.²

From 1964 to 1971 the U.S. Government granted more than 2,000 million dollars' worth of economic and military aid to the military dictatorship in Brazil to assure a propitious political environment for U.S. penetration of her economy. In a testimony before the House Subcommittee in 1968, the Director of the U.S. AID Mission to Brazil Stuart Van Dyke, explaining the substance of U.S. aid to Brazil after the coup, admitted that it had been essentially prompted by political considerations.

The thrust of U.S. policy towards Brazil was sharply delineated in a discussion between Van Dyke's successor as Director of the U.S. AID mission to Brazil, William A. Ellis, and the Chairman of the Senate Subcommittee on Western Hemisphere Affairs, Frank Church, during congressional hearings in Brazil in 1971:

Senator Church: How does the present government, in which we have invested 2 billion dollars, serve the national interests of the United States, in your judgement?

Mr. Ellis: Well, first of all, perhaps I should state what I

¹ *The New York Times*, June 25, 1964, p. 8.

² *The Wall Street Journal*, July 3, 1964, p. 7.

think some of U.S. national interests are in Brazil. One of them is the existence of a government or society which is generally consistent with our national, specific national, security interests in the hemisphere which would not pose a security threat to us. Second would be the protection and expansion, if possible, of our interests, trade, and investment in the hemisphere.

Senator Church: Can you tell me how large the American private investment is in Brazil today?

Mr. Ellis: It is somewhat over 1.6 billion dollars.

Senator Church: So we have pumped in 2 billion dollars since 1964 to protect a favourable climate of investment that amounts to about 1.6 billion dollars.

Mr. Ellis: That is only one of the objectives, Mr. Chairman.

Senator Church: I want to get these things in relation. We have spent 2 billion dollars on a programme one objective of which is the protection of a favourable investment climate for private business interests in this country.

Mr. Ellis: Yes.¹

U.S. aid to Brazil through intermediaries assumed still greater proportions in the period from 1969 to 1972.

One factor behind U.S. policy towards Brazil was an intention to turn Brazil into a kind of counterweight to Chile in the Western Hemisphere. Politicians saw Brazil in a close relation to all Latin America and, more particularly, to Chile.²

The United States played the key role in strengthening the Junta's domestic positions and making it capable of keeping insurgent movements under control. Direct U.S. military aid to Brazil, the training of Brazilian officers in the United States and the largest public security programme in Latin America carried out by the United States in Brazil in 1959 through 1972 to train 267 thousand Brazilian officers and policemen, contributed, as the Senate Appropriations Committee of U.S. Congress pointed out, towards anything but strengthening "internal security".

¹ U. S. Congress, Senate, Committee on Foreign Relations, Subcommittee on Western Hemisphere Affairs, *United States Policies and Programs in Brazil*, 92nd Congress, 1st session, May 4, 5, and 11, 1971, Washington: U. S. Government Printing Office, 1971, pp. 165-66. Cited from: J. Petras, M. Morley, op. cit., pp. 61-62.

² J. Petras and M. Morley, *The United States and Chile...*, op. cit.

Pentagon spokesmen invariably emphasised the "continued importance of the military assistance training programme as a means of exerting U.S. influence and retaining the current pro-U.S. attitude of the Brazilian Armed Forces".¹ At the same time, Brazil became, due to her mounting armed strength, in the opinion of the U.S. ruling establishment, a state capable of actively contributing towards the achievement of U.S. political objectives in the Western Hemisphere. Brazil is still seen as a U.S. bridgehead for the political, economic and military penetration of other countries of Latin America.

For all the chopping and changing of dictators, scenes and rulers, U.S. imperialism has achieved what was its main goal: the country's heavier economic and political dependence on U.S. military and political strategies.²

In the past few years, the Brazilian military dictatorship, following a pro-U.S. attitude on the continent, facilitated the Pentagon's most reactionary actions in its strategic hinterland. Suffice it to recall that it supported the U.S. policy with regard to Cuba and accepted to break off diplomatic relations with her. There has been a good deal of publicity about the involvement of Brazilian soldiery in the American invasion of the Dominican Republic. Brazil, together with Argentina, participated in preparing and staging the reactionary military coup in Bolivia in August 1971 which brought down the progressive government of General Torres. In 1973 the Brazilian Government sent troops to the border of Uruguay in case they might be wanted to support the coup organised by José Maria Bordaberry together with the forces of internal and external reaction to wipe out the democratic gains of the Uruguayan people. Before that, the Uruguayan Armed Forces and police had received some assistance from Brazilian military advisers and instructors in action against Uruguayan ultra-left groups, the so-called *tupamaros*. Naturally, the Junta lost no time in expressing its solidarity with the Pentagon having started military operations against Vietnam and lent some material support to the Saigon regime, in spite of its own domestic economic difficulties.

¹ J. Petras, M. Morley, op. cit., p. 66.

² In 1974 the U. S. accounted for a little over one-fifth of Brazilian exports and nearly a quarter of her imports, remaining her largest foreign investor.

No wonder, therefore, that the social base for the military dictatorship was incessantly contracting in Brazil, just as it did in Chile subsequently. From the very start the dictatorship had to resort to "acts of violence which have become a customary practice for the government" and to coercion to maintain "normal" order in the country, using terror and torture as the chief means of rule.

Therefore, the aims and methods of the United States in preparing the overthrow of President Goulart bear a striking resemblance to its aims and methods in organising the military coup which toppled the government of Salvador Allende. The essence of the "Brazilian experiment" is not that an undesirable bourgeois nationalist government was replaced by a more obedient one, but that the most wicked authoritarian regime was established with the help of reactionary army officers. The U. S. military and diplomatic as well as economic actions, subsequent to the events of 1964, indicated that U. S. imperialism intended to implant the order it liked in other countries by methods of violence and brigandage "following the Brazilian experiment". Brazil and also Paraguay were the *only* allies the United States could turn to on the continent in 1970 for a political campaign against the Popular Unity Government which won an election in Chile. The reactionary coup in Brazil served as a kind of model to follow in planning the suppression of left forces in Chile.

Setting out to repeat the "Brazilian experiment" on Chilean soil, the United States understood that what it had to do to this end, above all, was to make an all-round study of the moods of officers and of the entire army and to find sure ways to bring it under its own influence.

Chapter III BRIDLING THE ARMY AND GROOMING THE JUNTA

It took the United States decades to gain control of the Chilean Army, just as of the armies of other Latin American countries.

Nowhere else in the developing world has the involvement of armed forces in politics been as customary and traditional as in Latin America. On this continent the saying is "if the army does not rule all by itself, it decides who does". Militarism has long since struck root, solid and deep, in the entire political life of Latin American republics. At present the military keep 12 states of Latin America under control, whether directly or indirectly. Close on 550 military coups, not counting abortive ones, have been carried out in this part of the world during the past 150 years.

The armed forces' involvement in the public life of Latin America has immeasurably expanded and deepened in the last few years. The army has developed into a dominant force, politically, even in such countries as Chile and Uruguay which had been considered until recently something like models of "representative democracy" on the continent.¹

The army in Latin America is sometimes dubbed a "superparty" (*Superpartido*), and this term expresses the idea of the armed forces' role in politics which has been cultivated among the military. The army is seen by the military as the guarantor of the stability of governmental

¹ *Latinskaya America*, No. 3, 1977, p. 51.

institutions and as a force which must avert internecine strife and prevent the country from breaking up or slipping into a state of chaos or anarchy. Besides being the guarantor of public order, the Army arrogates to itself a second function—that of arbiter. Since constitutional authority is not always in a position to ensure public order and stability (as it ultimately expresses group interests of contending parties and factions rather than the national interests), the natural conclusion is that it is only the army, free from factionalism and operating as a national institution, that is entitled and obliged to “intervene in political life in troubled times, without joining battle, but only to ensure the normal flow of political life and the politicians’ respect for the ‘rules of the game’.” Nominally, such a concept squares well with the doctrine about the armed forces being ‘apolitical’: the army is supposed to be ‘above’ politics, ‘above’ the parties, thus turning into a super-party; that is, the force to which the nation turns in the hour of crisis as its final refuge. The army is an arbiter and, at the same time, the supreme exponent of the idea of nationalism. ‘Politics belongs to the parties, the homeland belongs to the army.’ The concept of the army as the carrier of the national ideal and exponent of common interests, and supreme arbiter arises from the Latin American tradition of militarism and ‘caudillism’ (derived from ‘caudillo’—leader).¹

Under a one-man dictatorship the role of the secret police rises while the influence of the standing army declines. In most of Latin American countries, the officer corps has developed a sense of professional corporative solidarity. It is interested in preserving and perpetuating its privileged position and does not want to depend on the whims of a dictator, even one from among the military.²

An analysis of 45 military coups since 1930 shows that only 10 of them have been left-oriented. Thirty-one coups have been rightist or extreme right in character.³

A study of the nature and origin of anti-communist feeling among the officers of Latin American countries shows that it is due, above all, to fear that with Communists

¹ G. I. Mirsky, *The “Third World”*. Society, Power, Army, Nauka Publishers, Moscow, 1976, pp. 279-80 (in Russian).

² Ibid., p. 281.

³ Ibid.

in power, the army will be abolished and replaced by militia.¹ That is to say that the officers fear that a people's revolution will destroy the system with a privileged military corporation as its part and parcel.²

This feeling gained ground particularly after the victory of the Cuban revolution. In this sense the officer corps follows the bourgeoisie. Frightened by a real danger of revolution and the prospect before it, the greater part of the bourgeoisie turned right, towards a closer alliance with imperialism and, in a number of cases, with the oligarchy. As Latin American Marxists F. Mieres and C. Medina wrote, "No longer aiming at preserving the entire former socio-economic and political structure, it is working for a gradual reconstruction of some of the *pre-capitalist elements* (primarily in agriculture), while enlisting foreign capital in a big way 'without qualifications' and pressing for all-out development of capitalist private enterprise. All this is being done through dictatorial, chiefly military, regimes representing the 'consolidated interests' of all sections of the ruling class, in 'close alliance' with Washington and without impinging on the privileges of the oligarchy."³

The big bourgeoisie and foreign monopolies require favourable conditions for extending their activities on a capitalist basis. For industrialisation, the bourgeoisie needs to build up its resources and use those of the government, and all this means imposing added pressure on the working people so as to save at their expense, freezing their wages, closing down unprofitable businesses, etc. Opposition from large sections of the population to such a course of "rigid" capitalist development is inevitable, and it is difficult to suppress it by bourgeois and liberal methods. Hence the urge of the bourgeoisie to establish "strong regimes" and to have power concentrated in the hands of the military who, although they do place their own corporative interests ahead of those of the bourgeoisie and are capable of seriously

¹ Many officers, both of the Brazilian and the Chilean Armed Forces believed the rumours persistently circulated before the 1964 and 1973 coups that "Marxists are preparing to do away with the army", which played into the hands of the putschists.

² Ibid., pp. 283-84.

³ F. Mieres and C. Medina, "The Crisis of Structures and the Way Out", in: *World Marxist Review*, May 1967, Vol. 10, No. 5, p. 35.

hurting its particular sectors, still operate, by and large, as a driving force of capitalist development in Latin America in a bid to avert a social revolution.¹

This is the main reason behind the outstandingly great interest of U.S. imperialism in closer dealings with the military in Latin American countries and in bringing over the officers of their armies, that is, in "taming" them. U.S. imperialism's involvement in the overwhelming majority of military coups in Latin American countries is an established fact.

Considering it of particular importance to extend its influence to the military, the United States acted on the assumption that in the struggle for power, the army, even if politically heterogeneous, is the only real force, armed and well organised, controlled from one centre and built on the principle of unfailing execution of orders. It is the army that has the monopoly of the arms, that is, the means of physical action, which becomes ever more formidable as the technical equipment of the armed forces, comprising nowadays not only the army but the police as well, is modernised.

In the course of behind-the-doors hearings in the House Appropriations Committee in March 1971, the U.S. Secretary of Defence Melvin Laird said: "I think it is important for us to bear in mind that the military is the only cohesive group in many of the countries of Latin America and that they are very important."²

It was since the early 1960s that particularly great importance began to be attached to the armies of Latin American countries as the force to counter the internal opposition, above all, the guerrilla movements, which the United States believed represented a certain danger to the established political and economic structure of the states of this region.

The United States have ever since been trying, through an extensive military assistance programme, to assure the capability of the armies of Latin American countries for effective opposition to the revolutionary action of the peoples of Latin America. U.S. military aid to Latin American countries totalled 1,357 million dollars

¹ G. I. Mirsky, op. cit., p. 285.

² *The Washington Post*, September 7, 1971, pp. A1, A17.

from 1950 to 1969.¹ According to General Robert J. Wood, Director of Military Assistance under the Johnson Administration, "the primary purpose of the proposed fiscal year 1965 Military Assistance Programme for Latin America is to counter the threat to the entire area by providing equipment and training which will bolster the internal security capabilities of the recipient countries."²

Still greater importance began to be attached in the United States to military programmes for Latin American countries since the early 1970s. In contrast to the Kennedy and Johnson administrations which had pursued a policy of covert and overt intervention in Latin America, Nixon had to stick to a "quiet" policy. What prompted him to do so was, above all, the fear that direct military intervention during the period of growing aspirations of Latin American countries for economic and political independence could adversely affect the U.S. position in Latin America. This policy of the Nixon Administration, which laid emphasis on consolidating pro-U.S. regimes and improving their efficiency in action against insurgent movements, was spelled out by the U.S. Secretary of Defence Melvin Laird in the House Appropriations Committee in March 1970: "The basic policy of decreasing direct U.S. military involvement cannot be successful unless we provide our friends and allies, whether through grant aid or credit sales, with the material assistance necessary to ensure ... their own and the common defence. Many of them simply do not command the resources or technical capabilities ... for their own defence without such assistance. The challenging objectives of our new policy can, therefore, be best achieved when each partner does its share and contributes what it best can to the common effort. In the majority of cases, this means indigenous manpower organised into properly equipped and well-trained armed forces, with the help of material, training technology and specialised skills furnished by the United

¹ Michael T. Klare, *War Without End*, Vintage Books, New York, 1972, p. 280.

² Willard F. Barber, C. Neale Ronning, *Internal Security and Military Power. Counterinsurgency and Civil Action in Latin America*, Ohio State University Press, a publication of the Mershon Centre for Education in National Security, 1966, p. 35.

States through the Military Assistance Programme or as Foreign Military Sales."¹

Special emphasis in the U.S. military assistance programmes was laid on the training of officers and men of the armed forces of Latin American countries. The possibility of reducing U.S. commitments abroad and, generally speaking, limiting its presence depends on the scale of the training system which the United States will be able to set up for the personnel of the armed forces of foreign countries, G. W. Nutter, U.S. Assistant Secretary of Defence (International Security Affairs), declared, for example, in the House Committee on Foreign Affairs in December 1970. It should be emphasised that what he referred to was far from the technical training of military personnel alone. The political aspect was one of exceptional importance, perhaps, even of the greatest importance, in those programmes. In other words, the primary task was the ideological indoctrination of the officer corps of Latin American countries, that of establishing the necessary links and contacts and cultivating the traditions of conformism. This was rather outspokenly admitted, for example, in the report compiled by a special Congressional group early in 1970 upon having studied the Military Assistance Training Programme: "In conclusion, the study mission wishes to point out that the majority of issues which must be addressed about MAP training are political and economic in nature, rather than strictly military. This emphasis reflects our strong conviction that military assistance programmes are primarily an instrument of American foreign policy and only secondarily of defence policy."² Frank admissions to the effect that above-mentioned considerations did provide the ground for military aid to the countries of the Western Hemisphere, identifying their outstandingly important "political value", are present

¹ U.S. Congress, House, Subcommittee of the Committee on Appropriations, *Foreign Assistance and Related Agencies Appropriations for 1971, Part 1*, 91st. Congress, 2nd session, Washington, 1970, U.S. Government Printing Office, p. 307. Cited from: J. Petras, M. Morley, op. cit., p. 121.

² U. S. Congress, House, Committee on Foreign Affairs, Subcommittee on National Security Policy and Scientific Development, *Military Assistance Training*, 91st Congress, 2nd session, October 6, 7, 8, December 8, 15, 1970, Washington, U. S. Government Printing Office, 1970, p. 132. Cited from: J. Petras, M. Morley, op. cit., p. 121.

in the memorandum about the American Military Assistance Programme and that of aid for the security of the population, drawn up a year later for the Senate Committee on Foreign Relations. The memorandum ended in an analysis of the Military Assistance Programme for the Dominican Republic, stressing that "when all the rhetoric is stripped away, the basic justification for the military assistance programme is that the programme provides an excuse for the MAAG (Military Assistance Advisory Group) and the MAAG keeps in touch with what the Dominican military are thinking".¹ One of the objectives of this programme for Guatemala was characterised by its official representatives as that of strengthening the government's hand in opposing the danger of a sweeping liberation movement.

In spite of sporadic differences of opinion and occasional friction between the United States and certain Latin American countries under military control, the United States attached and still attaches outstanding importance to preserving the channels whereby to influence and control the military establishment of those states, considering these channels as an important instrument of social control, preserving the ruling political élite and the existing class structure in that region. "We are furnishing assistance in the form of military training to almost all of the countries of Latin America.... We feel it is extremely important to maintain our relations with the people who are in position of influence in those countries so we can help to influence the course of events in those countries,"² high-ranking officials of the U.S. Department of Defence frankly admit.

Safeguarding the political and economic interests of the United States in Latin American countries is one of the major political assignments given to the representatives of the U.S. Armed Forces in the countries of that region. Besides, the U.S. Administration acts on the assumption that representatives of the U.S. Armed Forces, military men

¹ U.S. Congress, Senate, Committee on Foreign Relations, Subcommittee on Western Hemisphere Affairs; *Guatemala and the Dominican Republic: A Staff Memorandum*, December 30, 1971, Washington, U.S. Government Printing Office, 1971, pp. 7, 11. Cited from: J. Petras, M. Morley, op. cit., p. 122.

² U.S. Congress, *Military Assistance Training...*, p. 145. Cited from: J. Petras, M. Morley, op. cit., p. 123.

as they are, are best placed to "come to terms" with the leaders of Latin American countries most of whom are also military.

The United States attaches great importance to the Military Assistance Advisory Group system, operating in 17 Latin American countries, as a channel of communication with, and an instrument whereby to influence the military establishment. The MilGroup is being extensively used, according to General Mather, who was in charge of the U.S. Southern Command, "as a means of information and communication for the use of our Ambassadors. The MilGroup contacts have, on occasion, been the best channel open."¹

The Pentagon and the CIA, contemplating a re-edition of the "Brazilian experiment" in Chile, sought to convert the Chilean Armed Forces into a reliable police machine. By their design, the army, which had no external opponent to confront on the continent for decades, and obediently served the ruling classes as an instrument of violence inside the country, could and should remain such an instrument whatever the ups and downs in national political life. While remaining "apolitical" for a certain period of time and "never intervening" in political life, which by itself was quite convenient for keeping the mass of the soldiers insulated from outside influences unpalatable to the officer corps, the army must be ready to act with determination, on first command, to suppress whatever movement may be unsuitable to the forces of reaction, that is, intervene in the running of national affairs.

The "Brazilian experiment", just as the experience of implanting military dictatorships in other Latin American countries, convinced the U.S. ruling quarters that it is such an army, unconditionally submissive to pro-U.S. officers, that would be the guarantor to oppose to people's power at the right moment. But the "Brazilian experiment" made it quite clear to the plotters that the development of the national liberation movement and of the trends for national sovereignty, typical of the second half of the 20th

¹ *Cuba and the Caribbean. Hearings before the Subcommittee on Inter-American Affairs, of the Committee on Foreign Affairs, House of Representatives, 91st Congress, 2nd session, July 8, 9, 10, 13, 20, 27, 31, and August 3, 1970, U.S. Government Printing Office, Washington, 1970, pp. 91-92.*

century, were dangerous to the armed forces of the countries of Latin America; some left political ideas found their way into the army. For even before the coup in Brazil, some left-minded groups, inclined to back up President Goulart's democratic reforms, sprang up among soldiers, sailors and junior officers. The top crust of the officer corps in Brazil succeeded in bringing the situation under control by terror tactics and in suppressing the rebel groups cruelly and quickly, so quickly, indeed, that these episodes of unrest did not even get too much publicity at the time. But they did serve as a certain warning signal for the Pentagon and the CIA. While exploiting the "Brazilian experiment" in its every aspect, the United States concentrated its efforts on a still greater Americanisation of the *entire* officer corps of the South American armies, notably the Chilean Army, and on a more intensive ideological indoctrination of *all* of its elements, from top to bottom.

The practice of training Chilean officers of different ranks in the U.S. Armed Forces had been going on ever since the end of the Second World War. Not only generals but more than 4,000 medium and junior officers of the Chilean Army have passed through this professional training course in the Panama Canal Zone and other U.S. bases, to judge from American sources. Many had this training practice several times. According to some sources, 200 Chilean officers and NCOs were sent to American military schools and bases in the Panama Canal Zone for annual training. Here is one example of the kind of training they underwent. Early in 1968, eighty-nine junior lieutenants, just out of Bernardo O'Higgins Military School in Chile, were sent to the Americas School the Pentagon had set up at Fort Gulik—a military training centre in the Panama Canal Zone, for a special training course. Altogether, 1,800 Chilean officers had their training at that military training centre producing top-grade specialists of "anti-guerrilla action". The same young officers later learned methods of "irregular war" in the selva (Latin American jungle). Spanish-speaking American instructors trained Chilean military in the hardest imaginable conditions in the selva to develop their endurance, ability to stand hunger, the knack of procuring food in the jungle, eating snakes, frogs and plants. To test the endurance and to harden their trainees, American sergeants imitated possible natural

"irregular war" situations, engaged them in hand-to-hand fighting, bundled them up, beat them, in short did everything they could think of to temper their will for resistance, endurance and mettle. Yet the main object of this training and of all those exercises was the ideological indoctrination of Chilean officers to Americanise their way of thinking and to infuse them with anti-communism. 2,882 Chileans are estimated to have had their training at various U.S. military training centres "in matters of internal security, for action against mutinies".¹

In that way Chilean officers underwent a systematic and comprehensive "brain-washing" at U.S. military bases, colleges and special schools from one year to the next, under the guise of all kinds of professional rallies, exercises, practice training, advanced courses, specialisation, etc. What was of no mean importance, for the United States, besides, was the direct contact between the officers of both armies which, as the French newspaper *Le Monde* once put it, "brought about like-mindedness" and developed a kind of tradition of caste unity. That served as one of the guarantees of the Chilean Army's reliability which the Pentagon wanted to have so much in the event of a putsch, along with unconditional loyalty and submission of its career officers to the prospective dictator.

There was some quite fertile ground for such a community of interests between the officers of the Chilean National Army and those of the U.S. Army. But that was not enough, as some in the United States understood, for "strengthening the traditions of like-mindedness". It was essential to create a possibility of constantly influencing each officer in particular, and all of them, in general, to convince them that they were superior to the rest of society and that their caste prerogatives and lifetime privileges were immutable, which could be threatened, in fact, by the consolidation of any left government. That task was tackled with the help of countless American instructors and military advisers who flooded the Armed Forces of Chile. Their personal contacts within the Chilean Army itself and during their meetings with Chilean officers outside the country had been conceived by the U.S. intelligence service as a system

¹ Eduardo Labarca Goddard, *Chile invadido*, Editora Austral, Santiago, 1968, pp. 35-36.

of operational regulation of "non-interference" and well-timed "interference" in politics. Thus, with the Frei and Alessandri governments in office, the Chilean officers were told to abide by "non-interference" in national affairs. But once there arose a danger of a leftward shift, jeopardising the class domination by the bourgeoisie and the privileges of the officer caste, "non-interference" trends were cut short. On the contrary, a war was declared on the "constitutionalist" tendencies of General Schneider and his supporters, who became a hindrance to the interference of the military in politics. A CIA Report on Chilean Task Foreign Activities said: "The CIA's initial task in Chile was to assess the potential within the Chilean military to stage a coup. It recognised quickly that anti-Allende currents did exist in the military and the Carabineros (police), but were immobilised by the 'tradition of military respect for the Constitution' and 'the public and private stance of General Schneider, Commander-in-Chief of the Army, who advocated strict adherence to the Constitution'.... The Agency's task, then, was to overcome 'the apolitical, constitutional-oriented inertia of the Chilean military'."¹

Naturally, such a flexibility in the change of trends could not be brought about through military obedience alone—that required a constant personal influence and thoroughly consolidated community of interests with the United States as the patronising country.

In this way the process of "consolidating the traditions of like-mindedness", or, to use CIA phraseology, one of taming and corrupting the Chilean military, went on; the bribing of the military assumed such proportions that people in Chile began to say: "There is no general that could stand up against a gun of a million dollars." Let us say, somewhat in anticipation, that with Popular Unity in power, this process spread along with faster preparations for a re-edition of the "Brazilian experiment" in Chile.

The Nixon government, without giving the Popular Unity coalition any formal pretext for official protest, took up a stand which could be described as one of neutral hostility. That did not, however, prevent Washington from maintain-

¹ *An Interim Report of the Select Committee to Study Government Operations with Respect to Intelligence Activities. United States Senate, Washington, 1975, p. 240.*

ing its connections with the Chilean Army and even striving to improve them. Immediately after Allende's inauguration as President, General Mather, in his capacity as head of the U.S. Southern Command, held discussions with the leaders of the Chilean Armed Forces. He emphasised that this action "does not in any way imply a circumvention of the Ambassador nor his responsibility there, since my entire effort and that of my military group is in conjunction with his overall responsibility".¹ We shall yet refer to the details. But at this point let us turn to some legal subversive actions against the Allende government which went parallel with undercover operations.

First, strange though it may sound now after all that had happened in Chile, the so-called training of Chilean Army officers in the United States continued even with the Allende government in office, and it was, naturally, used, to all intents and purposes, for legal anti-government propaganda. From 1972 to 1973 the U.S. Government authorised close on 2 million dollars for these purposes. 313 Chileans in uniform were trained in the U.S. training centre in the Panama Canal Zone alone in 1973, that is, on the threshold of the tragic events.²

Second, as the then CIA Director William Colby admitted shortly after the coup, the United States, following Allende's election, went ahead to extend its close links with the Chilean military. That was the job of most of the 2,600 U.S. citizens residing in Chile in 1970-1973, mostly military advisers, instructors and diplomatic staff.

It is noteworthy that there were three U.S. military attachés with six assistants on a permanent basis in Santiago, the capital of such a relatively small country, and the full military mission numbered up to 30 officers by the time of the coup, all of them in close contact with Chile's Navy and Air Force. As stated in the report of the Senate Select Committee, the U.S. military attaché, unlike the staff of the CIA Station in Santiago which had no proper contact with the Chilean military for carrying out its assignments,

¹ U.S. Congress, House, Committee on Foreign Affairs, *Foreign Assistance Act of 1971, Part 2, 92nd Congress, 1st session, May 11, 12, 18, 20, 1971*, Washington, U.S. Government Printing Office, 1971, pp. 420-21.

² *The Washington Post*, September 24, 1974, p. A21.

knew the Chilean military very well and maintained close relations with them. Following a proposal by the CIA Chief of Station, it was decided to invite the attaché to share in gathering intelligence on the chances of a coup and to use him for advising the Chilean military concerned that the United States would support the coup. The attaché was told "to work closely with the CIA chief, or in his absence, his deputy, in contacting and advising the principal military figures who might play a decisive role in any move which might, eventually, deny the presidency to Allende."¹

Third, in accordance with the CIA recommendations about the need to "tame" the military, the Pentagon enlarged the assistance programme for the Armed Forces of Chile. With the coup still on, the American press pointed out that the only heart-to-heart contacts of recent times between Santiago and Washington were those between the military leaders who discussed military assistance and officer training. And that against the background of the Nixon Administration's otherwise entirely hostile attitude towards the Allende government.

In mid-1971, with an aggressive foreign economic policy against the countries which had expropriated American assets, directed, first and foremost, against the Allende government, the United States decided to offer 5 million dollars' worth of military credits to Chile.

Secretary of State Rogers, commenting on this move by official Washington, stressed: "We are still providing some military assistance to Chile, for the reasons we think it would be better not to have a complete break with them."²

In December 1972, the U.S. Government announced that the agreement on granting 10 million dollars' worth of credits to the Chilean Armed Forces was still valid in spite of the statement made in January of the same year about the suspension of aid to the governments expropriating U.S. property without due compensation.

In 1972, the Chilean Armed Forces received 12.3 million dollars' worth of military equipment from the Pentagon. In the subsequent year the arms "sold on credit" totalled 15

¹ *An Interim Report...*, p. 236.

² U.S. Congress, House, Committee on Foreign Affairs, *Foreign Assistance Act of 1972, Part 1*, 93rd Congress, 2nd session, March 14, 15, 20, 21, 22, 23, 1972, Washington, U.S. Government Printing Office, 1972, p. 39.

million dollars in value terms. Altogether, American military aid to Chile added up to 33 million dollars between 1971 and 1973. During the six years of President Frei's government, from 1964 to 1970, it amounted to 53.5 million dollars.¹

Here is one fact to show the meaning and purpose of this military "aid" to the country which was ruled by the Popular Unity government unpalatable to the United States. The Chilean Air Force was expecting a consignment of 20 A-4-B-Skyhawk jet fighters. But in May 1973, President Nixon decided to lift the restrictions on the sale of more up-to-date F-5e fighters to five Latin American countries, including Chile, on the grounds that such action was "important to the national security of the United States".² Some courtesy within months of the coup! American Admiral Raymond Pitt declared in Congress, by way of motivating the supply of such aircraft to Chile, that this was "profitable to the U.S. since it makes possible some considerable influence on Chilean airmen in training them to pilot up-to-date American machines." And Secretary of State Rogers, in a bid to justify the U.S. Administration's decision, referred to the necessity of lifting legislative restrictions on military sales and grants to Latin American countries because "this ceiling is offensive to the Latin Americans who consider it an attempt to control their sovereign right to determine their own defence requirements."

"The only result of this ceiling," Rogers argued, "has been to encourage the Latin Americans to make their purchases outside the United States."³

The only thing that remains to say is that the Chilean Air Force, so assiduously patronised by the U.S. Administration, sided with the putschists right from the start and bombed the presidential palace, factories, plants, and many districts of Chilean cities.

Back in 1963 Senator Humphrey, speaking in Congress,

¹ *Covert Action in Chile...*, p. 181.

² See "Presidential Determination No. 73-14", dated May 21, 1973, in: *The Department of State Bulletin*, July 16, 1973, p. 90.

³ U.S. Congress, House, Committee on Foreign Affairs, *Mutual Development Cooperation Act of 1973*, 93rd Congress, 1st session, May 15, 17, 23, 24, 31 and June 5, 6, 11, 12, 13, 1973, Washington, U.S. Government Printing Office, 1973, p. 257.

said: "There has been too much evidence recently that our military assistance programme in Latin America has in too many cases merely generated more military power to be used ... not for preserving internal security or defending the nation against threats, but for consolidating and strengthening the position of the military in the society as a whole."¹

An American newspaper had this to say about it three years later: "Washington's policy has been clear. Its major purpose in selling arms is to win friends and influence with the officer corps in Latin American countries because the military are almost always in a position to make or break governments."²

So, the military "assistance" of the United States has always been designed to support and reinforce the most reactionary regimes in Latin American countries. It is significant enough that in the Chilean case, a tamed army enjoyed special privileges while all other credits were banned under a long-term economic warfare plan which we will yet deal with. American observers unequivocally interpreted this exception as due to banking on bolstering up the anti-government spirit of the military and making it quite clear to them that the United States would back up their mutiny right away.

As in Brazil, there were enough reasons in Chile for anxiety about the mood of the "military grass-roots". Therefore, some preventive repressive measures were taken in certain garrisons without the government's authorisation. For example, a hundred-odd seamen were arrested by the police and tortured at the Valparaíso and Talcuano bases within over a month of the coup so as to wring confessions from them about some "subversive work" of left parties in the Armed Forces.

On the day of the coup four American warships steamed towards the shores of Chile supposedly for a joint exercise but, as the news of the putsch came, they turned back on superior orders.³ It became known later on that a large number of American naval officers found themselves at Valparaíso, mingling with Chilean naval officers involved in the coup.

¹ *Congressional Records*, October 9, 1963, p. 19124.

² *The New York Times*, November 6, 1966, p. 4E.

³ *The New York Times*, September 12, 1973, p. C17.

The Congressional Subcommittee investigating the circumstances connected with the military coup in Chile and the activities of the U.S. military personnel had little to show for its effort, yet it did establish with a fair measure of accuracy the fact of close connections and community of political views between official U.S. representatives and Chilean military quarters. The State Department also acknowledged the fact of intense co-operation between the civilian and military personnel of the United States and Chile, although it claimed that it was of a "usual" and "normal" character.¹ However, a study of the activities of the military and civilian U.S. personnel in Valparaíso both before and during the coup shows that these "contacts" were by no means confined to "usual" formalities. *The New York Times* later on quoted a former American engineer who once worked in the Panama Canal Zone as having said: "We came down to do a job and it's done."²

There is yet another noteworthy fact shedding light on co-operation between the Chilean and U.S. military. More than 100 Chilean seamen were on Guam Island at the time of the military coup which brought down the Allende government. They were in the crews of two U.S. military landing craft. These vessels had earlier been used in Vietnam.

By combined action, the United States was pressing for, and as experience has shown, generally did secure the complete submission of the officer corps of the Chilean Armed Forces, which was used as the backbone for the strategic Centaur Plan which had been worked out and implemented in secret. This plan requires a closer examination. Let us note for the time being that it had been worked out in line with the new social-economic situation around the world and in the Latin American continent in particular.

The CIA and the Pentagon, getting control of the Armed Forces as their instrument for the ultimate implementation of the strategic plan in its closing stage, had attached great importance to selecting, well in advance, the most efficient and adamant figure ready and willing to play a dictatorial role on the political scene.

It was General Augusto Pinochet, a military attaché of the Chilean Embassy in Washington for 10 years, that

¹ *Congressional Records*, Senate, February 5, 1974, p. S1237.

² *The New York Times*, November 19, 1973, p. C20.

proved to be the right figure as the prospective head of the Junta. His right hand in the Junta was General Gustavo Leigh who held the post of a military and air attaché in Washington also for 10 years; and the third member of the Junta was Admiral Jose Toribio Merino, the Naval Attaché in London. Pinochet and Merino were liaison officers with the NATO armies and Pinochet, incidentally, had his training at the U.S. bases in the Panama Canal Zone three times, in 1965, 1968 and even in 1972, that is, with Allende in office, and he did so at the bases, where, as another Chilean general, Carrasco, openly admitted, high-ranking officers were "trained in anti-guerrilla warfare", that is, drilled for punitive police operations.

So it is the U.S. intelligence service and the State Department that had groomed the Junta. Personal contacts between military leaders and diplomats of both countries over the years had facilitated their task.

Prior to Allende's coming to office—at the end of 1969—the Attaché of the Chilean Military Mission in the USA, Air Force Colonel Gerardo Lopez Angulo, at the request of his U.S. friends, held a dinner party somewhere outside Washington. The immediate occasion for it was the arrival of General Carlos Toro Mazote, an Air Force School Chief, from Santiago, to make a study of the organisation of the U.S. Air Force. At the dinner party, three generals from the Pentagon found themselves in company, besides Mazote, of three more Chilean generals whom the U.S. intelligence service watched with particular interest at that time. These were General Ernesto Baeza, Air Force Brigadier General, Sergio Figueroa Gutierrez and Admiral Arturo Troncoso, Military Governor of the port of Valparaíso. It is worth keeping their names in mind, for these men were yet to have their part to play in the fate of the Chilean revolution. The conversation revolved around one subject: the Chilean presidential election scheduled for September 1970.

During that dinner party one of the Pentagon generals asked how the Chilean Army would act if the left candidate Salvador Allende won the election. General Toro Mazote replied: "Within half an hour we will take over La Moneda palace, even if we have to burn it down."¹

That was the first conspiratorial contact between the

¹ *Le Nouvel Observateur*, March 4, 1974, p. 82.

Pentagon and Chilean officers of the four arms (Land Forces, Navy, Air Force and the Carabineros). Contacts went on growing closer as months rolled by, until a secret agreement was finally reached: if the Popular Unity coalition wins the election, the Chilean brass hats loyal to U.S. monopoly capital would seize power.

So, the action to be taken in the event of a left victory had been planned far in advance, within at least a year of the election itself. U.S. monopolies and ruling quarters stinted no money. We shall yet have a chance to see how generous they were; at this point we shall note that the Central Intelligence Agency was secretly authorised to expend over a million dollars in 1969 to 1970 alone for the implementation of this plan.¹ The body which was to co-ordinate the action was the Defence Intelligence Agency, but most of the job, at least at its opening stage, was to be done, to all intents and purposes, by Naval Intelligence and at the outset it was that body that was collecting and centralising the information furnished by other intelligence services, including the CIA. The supreme political leadership was exercised by the U.S. National Security Council.

No wonder that the leading role was left to Naval, rather than Army intelligence, since the putsch was timed to coincide with Operation Unidas, a joint exercise of U.S. and Chilean warships in the Pacific. The exercise took place in September 1970 at the time of the presidential election when, as a distinguished Colombian writer Gabriel Garcia Marquez put it, it could seem natural to see all kinds of military hardware controlled by people knowing how to kill on the soil and in the skies of Chile. U.S. warships which were on their way for the joint exercise with the Chilean Navy stayed in the neutral waters off the shores of Chile on the eve of the coup.

By that time the Centaur Plan had been finalised up to the minutest detail, and that was done, as would come to light afterwards, in the knowledge of the U.S. Executive.

¹ *The Washington Post*, September 17, 1974, p. A7.

As far as one can judge from the material contained in the reports of the Senate Select Committee, the strategic Centaur Plan provided for a whole series of measures designed, first and foremost, to rule out all possibility of a left victory in the presidential election in Chile.

The U.S. Administration, the Central Intelligence Agency and a number of U.S. corporations with substantial interests in Chile long before the 1970 September election had been trying to find a way of influencing their outcome. For more than a year the situation in Chile remained on the agenda of the 40 Committee. U.S. intervention in the Chilean election campaign was considered as an indispensable move at a 303 Committee meeting as early as April 17, 1969. Even at that moment the CIA Director Helms deemed it necessary to point out that "an election operation would not be effective unless it were started early".¹

On March 25, 1970, the 40 Committee approved joint proposals of the CIA and the U.S. Embassy in Santiago for launching a campaign against Allende's election as President and directed them to carry through, by means of intelligence operations, "subversive actions" of a propaganda or other character with a view to preventing the Popular Unity coalition from coming to power. 135,000 dollars were authorised for these operations.

¹ *Covert Action in Chile...*, p. 167.

On June 18, 1970, the U.S. Ambassador in Chile Edward M. Korry and the local CIA Station, elaborating on their own proposals, submitted a two-phase action programme to the chiefs of the State Department and the Central Intelligence Agency. The Phase I programme was designed to make the political campaign against Allende more extensive and systematic than originally intended, with an appreciably larger outlay to fund it. The programme of Phase II was a Contingency plan. Korry who was monitoring the situation in Chile at closer range seemed far more realistic in viewing the matter than the men in Washington and did not share, therefore, the general enthusiasm there with regard to the possible outcome of the presidential election. The plan centred on measures to bribe enough members of National Congress to ensure shifts in the right direction on polling day, October 24, 1970, and the inauguration of a president suitable to the United States.

On June 27, 1970, the 40 Committee decided to bring the total outlay for "subversive actions" against Salvador Allende up to 390,000 dollars. It was found reasonable to put off the examination of Korry's proposed Phase II programme in Chile until after the election which was to be held on September 4. There was a firm belief, based on the studies by the CIA and the State Department, that it was Alessandri who was to poll a relative majority vote (at least 40 per cent) in the election.¹

On August 7, 1970, that is, within less than a month of the presidential election, the 40 Committee resumed the debate on intensifying the propaganda campaign against Allende. Altogether, according to the Senate Committee, the CIA spent between 800,000 and 1,000,000 dollars on undercover operations connected with U.S. involvement in the presidential election in Chile in September 1970, with about half of this amount being expended upon the 40 Committee's direct authorisation.

Salvador Allende was elected President of the Republic on September 4, 1970. But the U.S.-conceived Contingency Plan—the plan for a military putsch, was never put through. Why?²

¹ U. S. Congress, Senate..., *Multinational Corporations and the United States Policy*, Part 1, p. 290.

² One would hardly take seriously in this context the joke that gained most currency in the West about the Pentagon having made a mistake by soliciting 200 visas for a naval brass band which, in fact, consisted of "government-breaking experts", including several officers and about the Chilean authorities having seen through the trick and refused the visas.—*Le Nouvel Observateur*, March 4, 1974, pp. 83, 85.

What happened was that the Contingency Plan had to be totally revised: the course of events showed that having been designed for a military force alone, it did not conform to the actual conditions in Chile. The victory won by the Popular Unity coalition in spite of the Pentagon's prognostications did not create favourable conditions for the military. The mass of the people wholeheartedly supported the new government's declared independence of Chile in foreign policy, determination to consolidate the country's economy and to assure irreversible anti-imperialist and democratic change. Another factor which had certain importance was that, guided by a CIA forecast, the U.S. Administration, as stated earlier on, had counted on Alessandri's election victory.

The left success in the election came as a surprise to the U.S. ruling establishment which met it with undisguised hostility. The Nixon Administration went into action right away to try and block Salvador Allende's inauguration as President, in the belief that this would create a danger of a communist takeover and produce an unfavourable—for the United States—effect on the political situation in other countries of Latin America, notably in Argentina, Peru and Bolivia.

Following the election, the CIA's Directorate circulated a special Intelligence Memorandum ("Situation Following the Chilean Presidential Election") with an assessment of the impact of an Allende victory on U.S. national interests. The memorandum, dated September 7, 1970, stated:

"Regarding threats to U.S. interests, we conclude that:

"1. The U.S. has no vital national interests within Chile. There would, however, be tangible economic losses.

"2. The world military balance of power would not be significantly altered by an Allende government.

"3. An Allende victory would, however, create considerable political and psychological costs:

"a) Hemispheric cohesion would be threatened by the challenge that an Allende government would pose to the OAS, and by the reactions that it would create in other countries....

"b) An Allende victory would represent a definite psychological setback to the U.S. and a definite psychological advance for the Marxist idea."¹

¹ *An Interim Report...*, p. 229.

The 40 Committee met from September 8 to 14 to consider a modification of the U.S. political course with respect to Chile following the election of Allende to presidency and to map out political counter-actions to be taken before his inauguration. The members of the Committee, as the Senate Committee's report stated, were asked to consider the pros and cons and problems and prospects involved in organising a military coup in Chile with U.S. assistance.

According to the summary of the 40 Committee meeting on September 8, "all concerned realised that previous plans for a Phase II would have to be drastically redrawn.... The DCI [CIA's Directorate of Intelligence] made the point, however, that congressional action [that is, action by the National Congress of Chile.—*F.S.*] against Allende was not likely to succeed and that once Allende was in office the Chilean opposition to him would disintegrate and collapse rapidly. While not advocating a specific course of action, the Director further observed that a military golpe against Allende would have very little chance of success unless undertaken soon. Both the Chairman and the Attorney General supported this view. At the close of the meeting the Chairman directed the Embassy to prepare a 'cold-blooded assessment' of:

"(1) the pros and cons and problems and prospects involved should a Chilean military coup be organised now with U.S. assistance, and

"(2) the pros and cons and problems and prospects involved in organising an effective future Chilean opposition to Allende."¹

On September 12, Ambassador Korry, responding to the 40 Committee's request for a "cold-blooded assessment", stated that "Chilean military will not, repeat not, move to prevent Allende's accession, barring unlikely situation of national chaos and widespread violence". The Ambassador went on to say that "Our own military people [are] unanimous in rejecting the possibility of meaningful military intervention in political situation." "What we are saying in this 'cold-blooded' assessment," Korry concluded, "is that opportunities for further signi-

¹ CIA Memorandum "Policy Decision Related to Our Covert Action Involvement in the September 1970 Chilean Presidential Election, September 10, 1970", *An Interim Report*..., p. 230.

ficant USG action with the Chilean military are non-existent."¹

The CIA's response was in the same vein. The Assistant Secretary of State for Latin American Affairs on the National Security Council staff summarised the CIA's "cold-blooded assessment" in a memo to Henry Kissinger: "*Military action is impossible*; the military is incapable and unwilling to seize power. We have no capability to motivate or instigate a coup."²

Having discussed the "cold-blooded assessments" of the situation in Chile by the American Embassy and the CIA, the 40 Committee, meeting on September 14, mapped out its own further action programme based on a CIA-proposed list of political and military measures aimed at defeating Allende when his election to presidency came before Congress for confirmation. Special significance was attached to the so-called "Rube Goldberg gambit" which meant sacrificing the candidacy of Alessandri as a prospective president for the United States to gain some vantage-ground. It was assumed that following his election by the Chilean National Congress on October 24, Alessandri would resign and Frei would get a constitutional right to call a new election with himself as candidate. Ambassador Korry was asked to go directly to President Frei to find out his attitude to this line of action. Korry and other members of the Embassy staff were likewise directed to get into closer contact with the Chilean military to see how far they would be willing to commit themselves to the "Frei gambit", that is, Frei's voluntary power handover to the military. In such a case Frei would have an opportunity to run for presidency in any new election. All agencies were also requested to make efforts to prevent Allende from coming to power and they were all to prod the military into action against Allende. A "contingency" of 250,000 dollars was approved for covert support of projects which Frei or his trusted team would deem important. The idea was to pass this money to representatives of the moderate wing of the Christian Democratic Party through Ambassador Korry in a situation

¹ Memorandum "Ambassador's Response to Request for Analysis of Military Option in Present Chilean Situation". December 9, 1970, Ibid.

² Memorandum for Dr. Kissinger "Chile—40 Committee Meetings", Monday—September 14, 1970, Ibid.

where they could assure a majority vote for Alessandri.¹ It was further agreed that the CIA undertake a large-scale propaganda campaign to focus on "the damage" bound to result from an Allende takeover.

From a study of the documents and testimony of officials, the Senate Select Committee found that President Nixon called a conference at the White House on September 15, 1970, attended by his Assistant for National Security Affairs Henry Kissinger, CIA Director Richard Helms and Attorney General John Mitchell. They discussed the Chilean situation. Nixon declared then that an Allende government was "unacceptable" to the United States and instructed the CIA Director to concern himself personally with organising a military coup in Chile so as to block Allende's accession to presidency.

Handwritten notes taken by CIA Director Helms at that meeting, quoted in the Select Committee's report, reflect both its tenor and the President's instructions:

"One in 10 chance, perhaps, but save Chile!

Worth spending

Not concerned risks involved

No involvement of Embassy

10,000,000 dollars available, more if necessary

Full-time job—best men we have

Game plan

Make the economy scream

48 hours for plan of action."²

In his testimony before the Select Committee, Helms summed up the White House meeting as follows: "The President came down very hard that he wanted something done, and he didn't much care how and that he was prepared to make money available.... This was a pretty all-inclusive order."³

According to the Select Committee's material, the CIA was to carry out that operation without co-ordinating its action with the State Department or the Defence Department and without informing the U.S. Ambassador in Chile about it. Although the possibility of a coup and other ways of preventing Salvador Allende from coming to power were

¹ This meant outright bribing Chilean Congressmen, as the Senate Committee's report made clear.—Ibid., p. 231.

² Ibid., p. 227.

³ Ibid.

considered by the 40 Committee at that time, the latter was not apprised of the CIA's direct contact with the Chilean military. The CIA chiefs were asked to submit reports both of an informative character and those needing approval to the President's Assistant for National Security Affairs Henry Kissinger or to his deputy General Alexander Haig, subsequently NATO Supreme Commander.

Following the 40 Committee meeting of September 14 and the White House meeting of September 15 at which President Nixon gave his instructions to the CIA, the U.S. Government's action to block Allende's uninauguration as President was carried on through two tracks, known only to CIA officials and the President's trusted team. Track I was used to conduct all covert action—political, economic and propaganda, earlier approved by the 40 Committee. This action, as the Select Committee's report pointed out, was directed towards inducing Allende's opponents in Chile to block his accession to power by political or military means.

Track II was for outright incitement of the Chilean military to action against Allende, as President Nixon had demanded at the White House meeting of September 15. In point of fact, this double-track operation had one objective—military coup. The only difference between them, to judge by the Select Committee's explanation, was that the CIA's direct contact with the Chilean military in supporting and encouraging the coup, *in circumvention of President Frei*, was to be known to nobody but a restricted group of individuals in the White House and the CIA. Thomas Karamessines, Chief of the CIA's Clandestine Services, was the main connecting link between the CIA and the White House in deciding all matters related to Track II.

Consequently, the CIA strategy, approved, as already stated, by the 40 Committee, had originally been based on an attempt to get President Frei to support the organisation of the coup which would have allowed him to stay on as President for six more years. Moreover, the CIA promised him "assistance in any election which might be called after a military takeover". Under that plan, Frei was to have offered the military to keep power in their own hands, dissolve Congress and call a new election.

During that period, the CIA did whatever it could to create an environment for the "Frei gambit" to be practically possible. To this end, the CIA, in the knowledge and under

the guidance of the 40 Committee, undertook a whole series of political and economic action projects to make Frei give his consent to the gambit or—still better—to coax him into actively carrying it out. CIA-inspired messages from influential spokesmen for the Christian Democratic movement and the Catholic Church of Europe and Latin America as well as their visits to Chile served as additional instruments of influencing Frei.

With the experience of earlier years to rely on, the CIA, acting under the 40 Committee directive, launched a wide-scale propaganda campaign to generate a feeling of anxiety among the population and, above all, among the military as well as the privileged sections of society, over the nation's future with Allende in power. This propaganda campaign included, as the Select Committee's report claimed, the publication of CIA-produced articles in some leading newspapers of Europe and Latin America, with all kinds of "predictions" of an inevitable collapse of the Chilean economy in case of a Popular Unity takeover. In face of the criticism by Allende's supporters of the position taken by the *Mercurio* newspaper (expressing the interests of reactionary circles), the CIA, using secret channels, organised the publication of protests against that criticism coming from representatives of the International Press Association and other organisations. Besides, Chile, as the Select Committee admitted, was flooded by journalists acting as CIA agents who were sending back CIA-made "on-the-spot" reports.¹

The CIA used its own funds, too, to subsidise the propaganda campaign against Allende. It supported the illegal press, individual newspapers and indirectly financed the reactionary political Patria y Libertad group and its broadcasting programme. According to the CIA's own files, 726 articles, broadcasts, editorials and similar items directly resulted from Agency activity during the six weeks between the general election and the congressional approval of Allende's inauguration as President.²

¹ It has since been established that by September 28 the CIA had a group of journalists from ten different countries at its disposal; this group was supplemented by eight more journalists from five countries. They were all under the direction of high-level CIA agents who were, for the most part, in managerial capacities in the media field.—*Covert Action in Chile...*, p. 171.

² *Ibid.*, p. 172.

In the situation report forwarded on September 21 to the then Secretary of State Henry Kissinger and his assistant Charles A. Meyer, Ambassador Korry related a message, couched in terms of an ultimatum, that he had sent to President Frei through his Defence Minister. "Not a nut or bolt will be allowed to reach Chile under Allende," the U.S. Ambassador threatened in his message. "Once Allende comes to power, we shall do all within our power to condemn Chile and the Chileans to utmost deprivation and poverty... Hence, for Frei to believe that there will be much of an alternative to utter misery, such as seeing Chile muddle through, would be strictly illusory."¹

The application of economic leverage by the United States ruling circles, notably, for bringing pressure to bear on Frei and the Chilean military was a feature of the entire period from the presidential election all the way to the congressional vote on the presidency. This, as the Select Committee's report admitted, was a constant talking point in the White House and the CIA as well as the substance of instructions they sent to their local agents. Ways of exerting economic pressure on Chile were discussed at a special White House meeting on September 18 attended by Kissinger, Helms and Karamessines. Ambassador Korry was asked to convince the Chilean military he was in contact with that should Allende become President they could no longer count on a continued U.S. military assistance programme; Korry was also to communicate to them that all military sales and supplies under this programme would be suspended until the outcome of the congressional vote on October 24 was clear.

In pursuance of these instructions, Ambassador Korry received the following cable from Washington a few days later, apparently authorised by the 40 Committee: "...You are now authorised to inform discreetly the Chilean military through the channels available to you that if a successful effort is made to block Allende from taking office, we would reconsider the cuts we have thus far been forced to make in Chilean MAP and otherwise increase our presently programmed MAP for the Chilean Armed Forces... If any steps the military should take should result in civil disorder, we would also be prepared promptly to deliver support and

¹ *An Interim Report...*, p. 231.

material that might be immediately required."¹

The 40 Committee meeting of September 29 found it advisable to give up the "Frei gambit" project. Five years later Thomas Karamessines, the Deputy Director for Plans, testifying before the Select Committee, explained that decision as follows: "So this was in a sense not Track II, but in a sense another aspect of a quiet and hopefully non-violent military coup... This was abandoned when the military were reluctant to push Frei publicly ... and, number two, Frei was reluctant to leave on his own in the absence of pressure from the military.... There was left as the only chance of success a straight military coup."² The emphasis was on the assumption that the military could go into action in Chile only if there were a chaos brought about in the country through economic pressure. It was, therefore, decided to try to invite American entrepreneurs to undertake immediate economic action in the sense the U.S. Government wanted it taken.

What the actual economic projects, sanctioned by the 40 Committee, were and what they meant for Chile is the subject of a further chapter dealing with the subversive activities of multinational corporations in the period under review. At this point, with the Select Committee's material to bear us out, we would like to emphasise that these projects were designed to let Chile see some "unity of action" by the U.S.-led external economic forces and, along with that, demonstrate how destructive the consequences of Allende's victory would be for the nation's economy. In plain terms, the 40 Committee recommended ending all credits to Chile and pressuring the firms concerned into cutting down their investment in the Chilean economy and persuading other states into pursuing a similar policy. A special inter-agency group, comprising the CIA's Western Hemisphere Department Chief, as well as representatives of the National Security Council, the State Department and the Defence Department, was set up to co-ordinate all efforts to ruin the Chilean economy and throw the nation into a financial panic.

Those were, at that stage, the basic aspects of the activities of the U.S. executive authorities, designed to block a repre-

¹ Ibid., p. 232.

² Ibid., p. 234.

sentative of the left forces from taking office as President, and co-ordinated by the 40 Committee within the Track I framework. At the same time, as we remember, the CIA, acting on orders from the U.S. President, in circumvention of the 40 Committee and behind President Frei's back, made desperate attempts to instigate a military coup in Chile.

The instructions given by President Nixon on September 15 for straight CIA involvement in the Chilean events to prevent Allende assuming office, which was the cornerstone of the Track II project, was formulated in accordance with the overall U.S. Government policy. Therefore, the instructions, received by the CIA as early as September 15, 1970, from the outset, implied organising a military coup in Chile.

On the day following the White House meeting, September 16, 1970, Helms summoned a restricted group of leading CIA officials to brief them on the President's instructions and discuss first thing to be done to carry them out. The sinister machinery of intelligence service was set into motion forthwith. On September 21, the CIA Chief of Station in Santiago received a coded cable No. 236 from CIA Headquarters succinctly and meaningfully explaining the situation and the substance of the new directive: "Purpose of exercise is to prevent Allende assumption of power. Parliamentary legerdemain has been discarded. Military solution is objective."¹ This cable and the following one (No. 240) contained a warning that the said instructions concerned only the CIA and authorised it to provide a *military solution* to the problem without informing the State Department and the Embassy and in circumvention of President Frei. Nobody outside a restricted group of officials at the White House and the CIA was to know anything about the CIA's direct contact with the Chilean military aimed at supporting and encouraging the coup.

President Frei's reluctance to bring pressure to bear on his own Party to make it give up a compromise with Allende dashed all the U.S. hopes to block a left representative from office as President by political intriguing. Thus, by the beginning of October it was clear, the Select Committee concludes, that a vehicle for a military solution would have to be found in the second echelon of Chilean officers, and

¹ Ibid., p. 228.

that the top leadership of the Armed Services, particularly General Rene Schneider, constituted a stumbling bloc. The CIA's task was to cause a coup in a highly unpromising situation arising from Frei's inaction, Schneider's strong constitutionalism, and the absence of organisation and enthusiasm among those officers who were interested in a coup.

In that context, as the Select Committee pointed out further in its report, the CIA began to carry out a programme comprising the following basic points: first, gathering intelligence on officers favouring the coup; second, creating a proper climate for the coup by way of propaganda, misinformation and acts of terrorism with a view to provoking left forces into action which could be exploited as an excuse for an anti-government operation by the military and, third, explaining to the coup-favouring officers that the United States Government would lend them any support, barring outright U.S. military intervention.

Between October 5 and 20, the CIA, as recorded in its own documents, made 21 contacts with key military and police officials to coax them into staging a military coup with assurances of strong support "at the highest levels" of the U.S. Government both before and after a coup.¹

All this, naturally, was presented in such a way as to make it possible for the United States, should it fail in its design, to dissociate itself from any involvement in the coup and save its face. With that as its guide, the CIA made every effort to create "a semblance of legality" of the brewing coup. One can see it, notably, from the text of the cable sent by CIA Headquarters to Santiago on October 19 which stated: "1. It still appears that a coup has no pretext or justification that it can offer to make it acceptable in Chile or elsewhere in Latin America. It therefore would seem necessary to create one to bolster ... their claim to a coup to save Chile from communism.... You may ... include variety of themes in justification of coup to military for their use. These could include but are not limited to: A) Firm intel. that Cubans planned to reorganise all intelligence services along Soviet/Cuban mould thus creating structure for police state. ... B) Economic situation collapsing. ... C) By quick recognition of Cuba and Communist

¹ *Covert Action in Chile...*, p. 173.

countries Allende assumed U.S. would cut off material assistance to Armed Forces thus weakening them.... Would then empty armouries to Communist People's Militia with task to run campaign of terror based on alleged labour and economic sabotage.

"2. Station has written some excellent prop guidances. Using themes at hand and which best known to you we are now asking you to prepare intel. report based on some well-known facts and some fiction to justify coup, split opposition, and gain adherents for military group. With appropriate military contact, you can determine how to 'discover' intel. report which could even be planted during raids planned by Carabineros.

"3. We urge you to get this idea and some concrete suggestions to plotters as soon as you can. Coup should have a justification to prosper."¹

Considering the outstandingly delicate nature of the project hatched, the CIA Director found it necessary to have a special Chile Task Force within the Western Hemisphere Department to work out and carry through a series of concrete operational measures in this field. Day-to-day guidance of the group, which included most experienced and competent officials, was exercised by the CIA Deputy Director Thomas Karamessines. None of the officials of that department were privy to the functions of this Task Force beyond the Department's Chief William Broe, and his deputy and the Chilean sector chief. Its actual mission was a sealed book even to the individuals who were normally concerned with Chilean affairs. The group was accorded a special channel of communication with Santiago and Buenos Aires. Most of the major operational decisions were taken by the Chief of the Task Force, Broe and Karamessines who met every day.

Headquarters' instruction about organising a military coup in Chile to block Allende from taking office as President caught the CIA Santiago Station unprepared, as the Select Committee contends.² Its agents in the Chilean

¹ *An Interim Report...*, p. 234.

² It should be pointed out that back in July 1969 the CIA Santiago Station requested and obtained Headquarters' permission for a covert project to smuggle its agents into the Chilean Armed Forces so as to keep track of the preparations for the military coup. The project was to run for four years and provided for CIA agents to be planted in all

Armed Forces had no potentialities of pushing the military into the coup. Therefore, it was decided, in the knowledge of CIA Headquarters, to invite the U.S. military attaché in Santiago, who knew quite well many Chilean servicemen and maintained close relations with them, to do his bit towards fulfilling the directive about making contacts with senior officers of the Chilean Armed Forces.

Here is what Thomas Karamessines testified before the Select Committee on this subject: "We also needed contact with a wider segment of the military, the senior military which we had not maintained and did not have, but which we felt confident that our military representative in Chile had. ... And we got the approval of the CIA Director to enlist the co-operation of the attaché in our effort to procure intelligence."¹ The intelligence in question was to serve as background material whereby to judge the possibilities of the coup itself. But that did not limit the role of the military attaché. He was, besides, to become the very person through whom the interested Chilean military were to be assured of U.S. support for the coup.

On September 28, 1970, General Philpott, Deputy Director of the Defence Intelligence Agency, signed a letter to the U.S. military attaché in Chile, asking him, as we have already mentioned, to co-operate closely with the CIA Chief of Station in making contacts with the country's top military leaders in order to draw them into the coup.

To minimise the risk involved in making contacts with opposition-minded Chilean officers, it was decided to smuggle four agents into Santiago late in September disguised as nationals of third countries; they were to complement the contacts made by the U.S. military attaché with representatives of the Chilean Armed Forces. CIA Headquarters found that necessary because, as one of its cables, dated September 27, 1970, said, "we do not want to miss any opportunity". The agents operated independently and reported the contacts they made to the CIA operational official in Santiago, who, in turn, reported them to Chief of Station. However, it was not from Station but straight from

the services, including the top commanding contingent, general staff and NCOs. The basic objective behind the project from 1969 till August 1970 was to collect information about the preparations made for the coup by representatives of the military establishment.

¹ Ibid., p. 235.

Washington that they received their assignments.

As stated earlier on, the CIA's primary concern in Chile was to assess the potential within the Chilean military for staging a coup. The intelligence procured by the Agency indicated that there were anti-Allende people among the military and among the Carabineros (police), but they did not exhibit their feeling in view of "the traditional respect of the military for the Constitution" and also of "the public and private stance of General Schneider, Commander-in-Chief of the Chilean Army, who advocated strict adherence to the Constitution." Therefore, as the Select Committee stated in its report, the CIA had to overcome the "apolitical and constitutional-oriented inertia of the Chilean military".

There were just a few persons to play the key role in Chile at the moment in the conspiratorial activities aimed at staging a coup. One of them was Roberto Viaux who had led the abortive Tancazo rebellion a year before.¹ Cashiered afterwards, Viaux retained a large following among non-commissioned and junior officers and remained a recognised leader of some rightist civilian groups.

One more personality in the centre of conspiratorial activities at the time was General Camilo Valenzuela, the Santiago Garrison Commander, who was in collusion with some Chilean officers. There was a quite close communication between the different conspirators. As Thomas Karamezines testified for the Select Committee later on, "They were all talking to one another, exchanging views and trying to see how best to mount the kind of coup that they wanted to see take place."²

Since the Supreme Command of the Chilean Armed Forces, as represented by General Schneider and his deputy General Prats, was opposed to the idea of the coup against Allende, the CIA tried to contact senior officers of the second echelon. The first serious attempt of this kind was made on October 5, 1970, when the U.S. military attaché communicated to a Chilean Army general and then to an Air Force general that the United States stood for the coup. Three days later the CIA Chief of Station informed one of the police chiefs that the U.S. Government favoured a

¹ The rebellion was started by Viaux supposedly to lend substance to some servicemen's demand for a higher salary, but many saw it as an attempted coup.

² *An Interim Report...*, pp. 239-240.

military solution and intended to support it by all means, short of outright military intervention.

As we have already pointed out, in the period between October 5 and 20, officials of the CIA Station and the U.S. military attaché in Santiago had more than 20 meetings with members of the Chilean military establishment. According to CIA information, they were all "important figures in the Armed Forces and the police", belonging to the above-mentioned two major conspiratorial groups. During one of such meetings, on October 7, officers from the Santiago Military Academy communicated to the U.S. military attaché that they had tried to bring some pressure to bear on Frei to get him to remove General Schneider either by dismissing him from his post or expelling him from the country. The officers also informed the attaché that they had devised a plan to abduct General Schneider who had become the main obstacle in the way of a military takeover. Washington's reaction to the report of its military representative was immediate and definite. On the following day, October 8, the CIA Chief of Station in Santiago received the following cable: "This would make it more important than ever to remove him [Schneider] and to bring this new state of events... Anything we or Station can do to effect removal of Schneider?"¹

Most intense efforts were made in that direction throughout the subsequent week, although with a very slender chance of success. The Chile Task Force Log commented on this subject: "... The highest levels of the Armed Forces unable to pull themselves together to block Allende. The Chilean military's tradition of non-intervention, Frei's reluctance to tarnish his historical image, General Schneider's firm constitutional stand, and most importantly, the lack of leadership within the government and military are working against a military takeover."² On October 13, the CIA Station in Santiago reported, however, to Headquarters that "Station has arrived at Viaux solution by process of elimination". Three days later the Chile Task Force cabled from Washington: "We continue to focus our attention on General Viaux who now appears to be the only military leader willing to block Allende."³

¹ Ibid., p. 241.

² Ibid.

³ Ibid.

The fact that Viaux was, indeed, the only figure the CIA pinned all its hopes on in staging the coup, made it quite clear that the prospect before such an action at that time was far from a bright one. His co-servicemen who knew him quite well, including General Valenzuela, referred to Viaux as a "general without an army". That was no secret to the Americans either. Nevertheless, during the first two weeks of October 1970 he was considered the best candidate to assume the role of the man the CIA could rely on to fulfil the task it set before itself—that of blocking Allende's accession to power.

The CIA's contact with Viaux was originally established, as the Select Committee said in its report, through the military attaché of a third country. This attaché, as the CIA's cable No. 476 of October 6 stated, communicated on October 5 that Viaux was asking for a few hundred gas grenades he said he needed to stage the coup slated for October 9, 1970. Headquarters turned down that plan, concluding that a "mini-coup at this juncture would be counterproductive". Having offered to Viaux to put off his project, CIA emissaries, as we shall yet see in detail, were to encourage him accordingly so that he could join a larger movement at a later date. Let us note that an important role in developing the CIA's contacts with General Viaux was played by CIA-recruited citizens of third countries whose services were extensively used by the Agency for the maintenance of their conspiratorial contacts with the plotters in the subsequent period as well to scale down the involvement of the official U.S. representative—the military attaché—in this business.

While keeping on showing the U.S. unlimited readiness to support the coup so as to bolster the "combat spirit" of Viaux and his supporters, the CIA was not sure of success and was "dragging its feet" for a while, requesting its Station in Chile to "enlarge and improve the coup plan". The CIA continued to show a lot of anxiety over the position of General Schneider who enjoyed tremendous prestige in the Army and the country. The CIA feared that Schneider might make a statement at the eleventh hour to block the action of those military leaders who might yet join Viaux.

On October 13, the CIA Station in Santiago cabled to Washington, saying that Viaux was proposing to organise

the kidnapping of Generals Schneider and Prats within 48 hours to hasten the coup. Station also reported that Viaux's plans with respect to Schneider were part of the coup involving Valenzuela as well.

So, by mid-October General Viaux notified CIA Headquarters through his liaison agent about his intention to stage the coup, specifying that the obstacle personified by General Schneider would be removed by kidnapping him. The U.S. Administration, in the meantime, did everything to push the coup.

A cable to CIA Station from Headquarters on October 14 asked the military attaché to convey the following message to two Chilean general officers of his own choosing: "High authority in Washington has authorised you to offer material support short of armed intervention to Chilean Armed Forces in any endeavours they may undertake to prevent the election of Allende on October 24."¹

There was a White House meeting of Thomas Karamessines with Henry Kissinger and Alexander Haig, on October 15, to discuss the situation connected with the preparations for the coup in Chile. According to the minutes made by the CIA, Karamessines informed Kissinger and Haig about the action undertaken by Viaux and gave an account of the general situation in Chile in terms of possibilities for staging the coup. The conferees concluded that Viaux had no more than one chance of success out of 20, or, perhaps, still less. It was therefore decided to put off the Viaux coup for a short time, at least. As one could see from the same minutes, another decision taken at that conference was for the Agency to get a message to Viaux warning him against any precipitate action. In essence, the message was to run as follows: "We have reviewed your plans and, based on your information and ours, we come to the conclusion that your plans for a coup at this time cannot succeed. Failing, they may reduce your capabilities in the future. Preserve your assets. We will stay in touch. The time will come when you with all your other friends can do something. You will continue to have our support."²

Having decided to delay for a while the military coup planned by Viaux, Kissinger directed Karamessines to retain

¹ Ibid., p. 250.

² *An Interim Report...*, p. 242.

all CIA groups operating in Chile, calling on them to act secretly, taking all precautions so as to assure the Agency an opportunity of undertaking subversive action against Allende as soon as the need arose.

The White House meeting ended in Kissinger making a statement that the CIA must keep up pressure on all of Allende's weak positions, and do so now, after October 24, after November 5 and on until further instructions. Karamessines assured everybody else that the Agency would comply with this request.

As the Senate Committee established, following the enlarged White House meeting on October 15, Kissinger, Karamessines and one or two more of the conferees went straight to the President to carry on the discussion. According to Karamessines, the President did his best to convince those present how important it was to stop Allende's election (implying the congressional vote on his inauguration as President, which was scheduled for October 24). As they were leaving the Oval Office, the President led Karamessines aside to re-emphasise the importance of the instructions he had given.

A CIA order of October 16 stated that the day before measures involving preparations for the military coup in Chile which were going on under Track Two programme had been considered "at a high government level". The details of that conference were communicated to the CIA Chief of Station in Santiago in a Headquarters message No. 802 cabled on that very day. It said in part: "... 2. It is firm and continuing policy that Allende be overthrown by a coup (preferably before October 24, although the efforts to this end must be made afterwards as well)... We have to continue to generate maximum pressure toward this end, utilising every appropriate resource... 3. After the most careful consideration it was determined that a Viaux coup attempt carried out by him alone with the forces now at his disposal would fail. Thus, it would be counterproductive to our Track Two objectives. It was decided that CIA get a message to Viaux warning him against precipitate action... The message concluded: "There is great and continuing interest in the activities of Valenzuela *et al* and we wish them optimum good fortune."¹

¹ Ibid., p. 243.

The U.S. Administration's decision to put off the coup was transmitted to Viaux through one of his associates on October 17. The latter replied that the plotters had resolved to carry through their intention anyway. On the following day, October 18, Viaux communicated to the CIA agent through his representatives that the coup was slated for October 22 and that "the abduction of General Schneider is the first link in the chain of events to come". In that situation, the CIA Station in Santiago, in the knowledge of the Chile Task Force, established a direct "emergency" contact with Viaux. In the morning of October 19, as admitted in the Senate Committee's report, automatic weapons and cartridges were dispatched, at Viaux's request, from Washington to Santiago with diplomatic mail and were handed over to the plotters later the same day.¹

That same day General Valenzuela informed the U.S. military attaché that in the course of the coup Schneider, once kidnapped, would be flown to Argentina, Frei would resign and leave Chile and one of Valenzuela's colleagues would head the military Junta and dissolve Congress.²

The attempted kidnapping of General Schneider on October 19 aborted. Yet the Chilean military plotters and the CIA did not desist from their criminal ambition to stage the coup. Early in the morning of October 22, the U.S. military attaché handed three submachine guns with rounds of ammunition for them to an officer of the Chilean Armed Forces somewhere in the outskirts of Santiago. At about 7 a.m., the group formed to kidnap General Schneider assembled to discuss last minute instructions and details of the operation. Schneider's car was intercepted when the General was on his way to his office. In the ensuing skirmish General Schneider was mortally wounded with four bullets.

Two days later, on October 24, Congress approved Allende's election as President of the Republic.

The murder of General Schneider stirred up world opinion and the entire press of Latin America, the United States, Europe and Africa. On the very day of this assassination, Luis Corvalan declared: "We Communists see the attack on General Schneider as part of the plan, prepared by

¹ The first consignment of arms, including six gas grenades, was turned over to the plotters as early as October 18.

² *An Interim Report...*, p. 244.

Chilean reaction with the direct involvement of the U.S. Central Intelligence Agency, to prevent Salvador Allende from taking office."

Rene Schneider had always advocated the strict neutrality of the Army and its non-intervention in politics as required by the Constitution, and in that way he handicapped right-wing action. "Our concern is to support and respect the principles of statehood and the Constitution," the Commander-in-Chief of the Chilean Army had stated on many occasions; he reaffirmed his position on the day following Allende's electoral victory: "I shall defend constitutional authority and I shall do so to the end."

The murder of Schneider had been organised by General Viaux who had the CIA and U.S. monopolies behind him, as one can clearly infer from the foregoing as well as from a wealth of other documentary evidence. Everything had been constructed in line with an ordinary scenario of American gangsterism and the FBI- and CIA-made political assassinations: anonymous calls, threats, blackmail and shadowing with up-to-date technical devices; there was even a map of Santiago ruled in squares as if for military operations.

That act of terrorism misfired, in point of fact. The Armed Forces never rebelled against the new government, nor did they stop Salvador Allende from taking office as President, although they could not be regarded as a base of support for the Popular Unity Government.

The murdered Rene Schneider was succeeded by his true collaborator General Carlos Prats who had been in charge of the General Staff until then. The appointment of Prats, who was an influential personality not only among the military, but was reputed for his political independence and incorruptibility, to the post of Commander-in-Chief of the Armed Forces alerted, as we shall yet see, the plotters.¹ Prats, just like Rene Schneider before him, immediately announced his loyalty to the new constitutional authorities. That position of his by no means suited, of course, those who had been taming Chilean officers for decades and

¹ In carrying out the Alfa Plan, the code name of the attack on Schneider, the plotters were sure they would have the post of Commander-in-Chief reserved for one of them— General Camilo Valenzuela, Commander of the Second Santiago Garrison. More on this in: V. Chernyshev, *The Mummies' Conspiracy*, Politizdat Publishers, Moscow, 1974, pp. 69-70 (in Russian).

pinned their hidden hopes on the Armed Forces as the ultimate factor of the plot. It was impossible to remove Prats physically straight after his predecessor for that would have exposed the plotters prematurely, which they feared most. So, Prats was to be ousted gradually.

The repercussions caused by the elimination of General Schneider which, in fact, strengthened Allende's prestige contrary to the calculations of the reactionary forces, and infuriated the public, setting them against those forces, prompted the organisers of the coup to apply more subtle and more carefully considered methods, comprising a step-by-step operation to undermine the prestige of the new authority in all aspects of social, political and economic life. So, the first thing which the joint forces of the internal and external enemies of the Chilean revolution decided to do was to "destabilise" the Popular Unity Government.¹

It was at that moment that a fuller and more far-reaching version of the Centaur Plan emerged.

A special Chile Group within the National Security Council was formed in Washington to draw it up.² The comprehensive strategic Centaur Plan involved a stage-by-stage economic suffocation of the Popular Unity Government and well-planned laying of the ground for the military coup. General guidance of the practical implementation of the plan and co-ordination of stage-by-stage action were now all in the CIA's hands.³

So, what were the specific objectives of the Centaur Plan?

First, it was designed to make the Popular Unity Government an object of a financial and economic blockade by foreign capital, above all, by U.S. monopolies. That was

¹ *The Christian Science Monitor*, September 17, 1974, p. 16.

² Rene Castillo, *Lessons and Prospects of the Revolution in Chile*, Peace and Socialism, Prague, 1974, p. 6.

³ The actual CIA involvement in Chilean events had begun earlier still, as has since been established. Back at the end of 1968 the press reported that U. S. General Walters, one of CIA aces, arrived incognito in Santiago. That was the very Walters who, reputed as a coup expert, was one of the masterminds behind the overthrow of President Goulart's constitutional government in Brazil. Walters was subsequently found to have formed a conspiratorial group. The plotters' far-reaching plans were foiled by a broad rallying of the masses through the joint efforts of Communists, Socialists and trade unions. See I. Lavretsky, *Salvador Allende*, Molodaya Gvardia Publishers, Moscow, 1975, p. 100 (in Russian).

considered a major objective.

Second, it called for the utmost effort towards stepping up the hostile action of Chilean reactionaries, organised and aimed at undermining the national economy from inside by provoking "strikes", capital outflow, artificial shortage of goods and a thriving black market.

Third, this new strategic plan laid emphasis, alongside an economic offensive from within and from without, on traditional American intelligence practices, such as physical removal of undesirables, sabotage, subversion, psychological warfare through radio and the press.

There was nothing accidental about the economy having become the major front of the United States warfare against Chile, both secret and public. It may be recalled that what the left bloc had inherited from the former regime, on having won the election, was a sorry economic plight. The country's economy was in the doldrums. Her debt to foreign monopolies had attained colossal figures (4 billion dollars in 1970), her foreign trade deficit increased and the country found herself totally dependent on foreign capital, with both inflation and unemployment on the rise. Agriculture did not meet the needs of the population. Food shortages led to the emergence of a black market. Copper was the only export item left. The big Chilean bourgeoisie, financial oligarchy and big landowners as well as foreign monopolies pinned their great hopes on bringing the nation's economic life to a standstill, causing a chaos and dislocation and so undermining the Allende government's prestige in the eyes of the people.

One of the CIA Station's messages to Washington which later became public reported: "A more realistic hope among those who want to block Allende is that a swiftly deteriorating economy (bank runs, plant bankruptcies, etc.) will touch off a wave of violence resulting in a military coup."¹

Subsequent events showed that it was precisely in the economic sphere that the power of big national and foreign capital manifested itself most destructively and banefully.

And so, faced by a danger of losing its positions, U.S. Big Business, acting under a strategic plan devised by the intelligence service, got down to exercising its financial

¹ U. S. Congress, Senate..., *Multinational Corporations and United States Foreign Policy*, Part 2, p. 622.

pressure, systematic economic boycott and outright financing of the subversive activity of the forces of reaction in Chile. The U.S. Government allocated 8 million dollars for the CIA in 1970-1973 to carry out this plan.¹

Assuming office as it did in what were incredibly complicated conditions, the Popular Unity Government undertook planned action to bring about the nation's economic recovery. The first thing it did was to strike a staggering blow at the positions of foreign capital and the bourgeois and big landowners' oligarchy. Over 400 enterprises, producing nearly half of the gross national output of mining and manufacturing industries, passed into the public sector during those three years. The State was in control of 70 per cent of the national economy and 80 per cent of banking credits, 85 per cent of the railways, air and sea transport, and one-third of wholesale trade. It had 90 per cent of copper production in its hands. Foreign trade also came under its control. The peasants received 2.4 million hectares of cultivated land expropriated from big landowners, the mainstay of the former regime. That gain of the Popular Unity Government was so striking that even the bourgeois U.S. press had to admit that Allende's agrarian reform involving the nationalisation of landed estates was popular.²

The working people's real incomes were effectively raised through an increase of minimum wage rates. The purchasing power of factory and office workers rose by 20 per cent, on average. Old-age pensions went up by 35-66 per cent while allowances for the worse-off families—by 50-100 per cent. Infantile death rate fell off. Unemployment declined from 8.3 per cent in 1970 to 3.8 per cent in 1972. Educational facilities were expanded, and the prices and quality of bread and other staple foods were placed under control; and the housing construction programme was doubled. *The Times* of London, which closely watched the developments in Chile, made no secret of its lamentations over the fact that the policy of the Popular Unity Government showed a "class bias in favour of workers and peasants and against the

¹ "Knowledgeable observers" said it was a mere trifle for the CIA, with its wealth of experience in the art of financial trickery to turn those 8 million dollars into Chilean currency through black-market dealings. *Newsweek*, September 30, 1974, p. 17.

² *Wall Street Journal*, September 12, 1973, p. 1.

wealthy and propertied".¹

Some 200,000 new jobs were created, production increased by 13 per cent, economic growth rates ran at 5 to 7 per cent a year, and the level of copper production rose, all in spite of the economic difficulties artificially created by foreign monopolies and organised by the national bourgeoisie.²

All this, incidentally, gives the lie to the CIA-concocted and assiduously circulated "explanations" whereby the fascist coup d'état was to have looked as brought about by the so-called economic bankruptcy due to the "incompetence of the Allende government". The actual position was that not only did the Chilean economy suffer no disaster at all, but, on the contrary, it was effectively coping with its difficulties, and was in the ascendant. Here is what former Chilean Finance Minister, Orlando Millas, wrote on the subject: from Allende "fascism inherited an economy damaged by a reactionary conspiracy woven around the Popular Unity Government. But that was a developing and basically sound economy."³

That view has also been taken up by many Western political observers. For example, Hugh O'Shaughnessy of the British *Financial Times* wrote that "the best available statistics show that the Chilean economy was not on the last legs under the Popular Unity ... General Pinochet, Leigh and Mendoza and Admiral Merino have taken over a basically robust piece of machinery."⁴

The French *Monde Diplomatique* was even more specific: "Was it not, one may wonder, precisely because the Popular Unity had already come near to settling its affairs economically that the decision to cut short the socialist experiment in Chile was taken?"⁵

The Popular Unity programme provided for a series of important moves towards extending relations with the socialist countries, including the Soviet Union, restoring relations with Cuba and conducting an independent foreign policy in pursuit, principally, of national interests and in

¹ *The Times*, February 16, 1971, p. 7.

² *The Times*, September 13, 1973.

³ Cit. Y. Yelutin, "The Bankruptcy of the Economic Policy of the Chilean Junta", *International Affairs*, No. 6, 1975, p. 110.

⁴ *The Financial Times*, September 19, 1973, p. 23.

⁵ *Le Monde Diplomatique*, October 1973, p. 77.

defiance of imperialist biddings.

All that contributed towards consolidating the country's progressive forces. The Popular Unity coalition, whatever its mistakes and miscalculations, was strengthening its influence among the great mass of the people. That was clear, for example, from the results of the parliamentary election in March 1973 when the vote for the Popular Unity bloc increased from 36.3 to 44 per cent. That was an impressive victory. The U.S. ruling establishment was outspokenly displeased with the fact that the CIA, which had correctly forecast the outcome of the election campaign and Allende's victory in 1970, underrated his popularity in advance of the 1973 parliamentary election.

It was, therefore, for the first time in the history of Latin America that the working people of Chile, led by working-class parties, won political power by peaceful means and gained indisputable achievements, having overcome their centuries-old backwardness and poverty, abolished foreign domination and the rule of the oligarchy. The working people's social gains had their repercussions in other countries of the continent.

The United States, in spite of the considerable change in that part of the world, cannot still give up its customary idea that Latin America is an important raw material appendage of the U.S. economy.

By consistently carrying out, within the national Constitution, a programme of revolutionary change, comprising the nationalisation of copper mines which used to be owned by powerful U.S. monopolies, creating a public sector through nationalising the property of big monopolies, converting banks into state-run institutions, carrying out an agrarian reform and redistributing the income to the benefit of the working people, in short, by all these radical measures, the Popular Unity Government openly confronted foreign monopoly capital and the local bourgeois and big landowners' oligarchy. "The outlook, therefore, is for a series of clashes between the people and their government, on the one hand, and imperialism and the oligarchy, on the other," Luis Corvalan wrote.¹ Besides, the left bloc, headed by Allende, although it did get access to running the country, did not possess the full power of political authority, and gained

¹ *World Marxist Review*, December 1970, Vol. 13, No. 12, p. 2.

no more than the commanding heights of executive authority, being, though, vested with extensive powers. Allende's Popular Unity Government was opposed by the remaining machinery of the old regime—the legislative and judicial institutions, the basic media facilities, important elements of State administration, as these all remained in the hands of those who did not want to put up with the loss of their positions. The oligarchy, together with U.S. imperialism, were still dominating the economy. The forces of internal and external reaction merged. U.S. imperialism resorted to all means, including those of secret warfare, as it had done more than once on earlier occasions, in order to break the Popular Unity Government.

An outstandingly important part in carrying out the strategic Centaur Plan was to be played by U.S. corporations with vast interests in Chile, and in control, as stated earlier on, of the basic sectors of the Chilean economy.

Active involvement of multinational corporations in the domestic political life of Latin American countries is anything but new, yet the hard facts about the scale and methods of this involvement do not come to light very often. So, it would not be beside the point—for the sake of a better understanding of the driving forces, causes and conditions which made possible the implementation of the Centaur Plan leading up to the bloodshed of the September coup in 1973—to examine at somewhat greater length the involvement of U.S. monopolies which, acting in close contact with the U.S. Administration and the CIA, had made desperate attempts, back in 1970, to prevent Salvador Allende's accession to presidency.

Chapter V THOSE IN THE SHADOW

As recently published documents confirm, there was yet another aspect of U.S. involvement in the internal affairs of Chile, so disguised that even the Senate Select Committee investigating the CIA's undercover operations had nothing but a cursory mention of it in its report. That was a criminal collusion of U.S. monopolies with Chilean reactionaries.

American realities make it clear beyond all doubt that those who eventually shape and direct entire U.S. foreign policy, whichever of the contending parties may happen to be in power, remain in the shadow under all circumstances, behind such notorious executive agencies of worldwide reputation, as the National Security Council, or any particular special committee, the State Department, the Pentagon, the CIA.

With the passage of time, change of presidents and replacement of intelligence and department chiefs, paraded as a kind of lightning rod to deflect outraged public opinion, the owners of such corporations as ITT, Anaconda and Kennecott, with investments in Latin American countries running into billions, remain where they are, as if utterly uninvolved in what has taken place. Nevertheless, it is perfectly clear to everybody that they are the chief masterminds of the plots and coups wherever and whenever their undivided sway is in peril.

For whatever considerations of official policy it may

have been, whether as a result of monopolistic infighting or for any other reasons, the veil has been lifted over the world of America's true masters shrouded in darkness.

As we have already shown, Salvador Allende's victory in the 1970 election produced an extremely hostile reaction from imperialists. The likelihood of him becoming the nation's President was seen by U.S. corporations with great alarm. In his election campaign speeches Allende went on record for the national independence of Chile, declaring his intention, if elected, to nationalise the key industries as well as large foreign-owned companies. The American press splashed "warning signals" about the consequences Allende's assumption of office might have for the United States and its business community.¹ As the Senate Committee's report admitted, "in 1970, the U.S. Government and several multinational corporations were linked in opposition to the candidacy and later the presidency of Salvador Allende.

In an effort to plunge the nation into a state of economic chaos to compel Congress to vote against Allende's inauguration, the CIA contacted banks and corporations. Monopoly chiefs met high-ranking officials to tell them about their misgivings over the course of Chilean events and try to influence the stand of the U.S. Administration. This was complemented by action to develop the corporations' links with intelligence services, which, as stated by the Senate Committee, had passed through two phases. Phase I comprised the period prior to the September election at a time when it was *official* U.S. policy not to support, even covertly, any particular political leaders or parties in Chile. Actions taken at that stage by either the CIA or U.S.-based multinational companies were mainly designed to get Allende defeated. Phase II, the decisive and, perhaps, the most sinister one, began immediately after the September election when the U.S. Administration took up an openly hostile posture in respect of Allende. As the Senate Committee's report pointed out, "in addition to providing information and cover to the CIA, multinational corporations also participated in covert attempts to influence Chilean politics..."² The ITT activities got the greatest

¹ *Covert Action in Chile...*, p. 159.

² *Ibid.*, p. 158.

share of publicity in this connection.

On March 21 and 22, 1972, at the height of the Senate Legal Committee hearings held to confirm the appointment of Attorney General Kleindienst, *The Washington Post* hectically debated two articles by American journalist Jack Anderson. In them he said that, according to some secret ITT documents which had somehow survived file clearance in its offices, that corporation had taken a succession of steps at top level in 1970 to help the CIA to block a Popular Unity takeover. ITT maintained constant confidential contacts with CIA officials in an attempt to bring about an economic chaos in Chile through joint efforts and so to encourage a military coup. The ITT chiefs offered to contribute "up to seven figures" to the Nixon Administration to fund the coup.¹ Photostat copies of secret ITT documents, once published, were all the more convincing since, as they revealed, an active role had been played in that collusion by one of ITT Directors John McCone, a former CIA Director.

The corporation's documents offered enough evidence of ITT's intervention in foreign affairs and of the pressure it brought to bear on the U.S. Government, as well as of the fact that ITT was much more and better informed about Latin America than "the blundering State Department".² In short, the documents exposed ITT "as a virtual corporate nation in itself".

So, what was that "corporate nation in itself" like, after all?

Founded in 1920 by an American communications Colonel Sosthenes Behn³ who bought it from the British, ITT has gradually developed into a giant conglomeration of 70 companies which now has many countries of the world entangled in a mesh of its telephone cables, telecommunications, luxury hotels, car service stations and shops. It is one of the biggest transnational corporations, a kind of "business empire" producing anything you can think of: from feeding stuffs for domestic animals to transistors and from face cream to telephone sets. ITT's annual turnover comes up to 7,500 million dollars. It has 331 subsidiaries and 708

¹ *The Washington Post*, March 21 and 22, 1972.

² Anthony Sampson, *The Sovereign State of ITT*, Stein and Day Publishers, New York, 1973, p. 260.

³ Died in 1957.

subsidiary branches which, with a total staff of over 400,000, operated in 70 countries and 40 states within the United States as early as 1969. 60 per cent of its business operations were conducted in North America.¹ ITT, just like other major monopolies, funds the election campaigns of U.S. presidents, has its favourites appointed as cabinet ministers and advisers, gives a sop now and again to Senators, Congressmen, diplomats and the military. Within ten years, starting from 1959, ITT's net income had grown from 29 million dollars to 234 million dollars, and the volume of its business transactions rose from 766 million dollars to 5,500 million dollars, and by 1970 the corporation had moved from 52nd to ninth place in the list of the biggest companies.² The economic potential of this giant corporation enables it to exert mounting pressure on the U.S. Government and to play a notable part in shaping Washington's foreign policy.

ITT has its own global telephone communications network, commercial air service, and ramified counter-spy system designed to prevent any possible leak of information not only about the company's secret activities, but about any activities at all. In Latin America, ITT has set up an intelligence service of its own which conducts self-contained operations, whenever necessary, to move the company into good negotiating or competitive positions in the world market. In assessing the effect of ITT's intelligence activities, one of the company's directors openly boasted that it was just about more efficient than the CIA.³

In an effort to extend its influence worldwide, and to oust its competitors, ITT has even instituted its own "private" diplomatic corps; it makes wide use of industrial diplomacy and employs the most prominent consultants and advisers to improve the company's relations with the governments of the countries serving as investment areas.

How far, then, has ITT extended its theatre of operations in Chile? As far back as 1930 it got a 50 year monopoly concession in that country. As it has ruled the roost, ITT, having made an initial investment of 28 million dollars, has siphoned off 360 million dollars out of Chile in terms of

¹ A. Sampson, *op. cit.*, pp. 18, 125.

² A. Sampson, *op. cit.*, p. 125.

³ *Ibid.*, p. 262.

net profit¹, including around 70 million dollars during the six years of Eduardo Frei's presidency. The corporation's subsidiaries—Standard Electric, Teléfonos de Chile, Oil American Cables and ITT World Communications ranked second in the output of radio and television equipment in Chile, controlled 95 per cent of her telephone installations, and virtually bossed the country's telephone and telegraph communications. By 1970 the ITT enterprises in Chile employed a workforce of 6,000, and the assets of the Chile Telephone Co. alone were estimated at 150 million dollars. With so large interests in Chile, the ITT, bent on retaining its dominant position there, has been making feverish efforts in various directions for many years in a bid to forestall "undesirable change" in the country's economic and political structure.

The scale and character of U.S. intervention in Chile's domestic political life in 1964 were well known to John McCone, who was CIA Director from 1961 to 1964. In 1970, as one of the ITT directors, he informed the Chairman of the ITT Board Harold S. Geneen of the experience of that kind of U.S. activities in Chile. The corporation decided to co-ordinate with U.S. government agencies all its actions directed towards keeping Chile ruled by a government ready and willing to maintain a status quo and protect the interests of the companies with investments in Chile. Since mid-1970, ITT officials started to contact the National Security Council, the State Department, the U.S. Information Agency, the CIA, the Inter-American Development Bank, the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. Besides, ITT has long been in close contact with the U.S. Embassy staff in Chile.²

In July 1970, the Senate Committee's report stated, a high-ranking CIA official met an ITT representative and, as they discussed the outlook for the coming election, pointed out that Alessandri was willing to accept financial

¹ S. Allende, *Su pensamiento político*, Santiago, 1972, p. 320.

² "During Ambassador Korry's visits to Washington we always conferred with him. We have close relationships with various officers of the Santiago Embassy and have conferred with them both in Washington and in Santiago,"—ITT spokesmen testified.—U. S. Congress, Senate, Committee on Foreign Relations, Subcommittee on Multinational Corporations, *Multinational Corporations and United States Foreign Policy*, Part 2, p. 803.

aid from interested quarters. It was even clearly indicated who would pass the money to Alessandri's supporters. Apart from Alessandri, ITT financially supported the opposition National Party. The CIA was well informed of the size and machinery of financing, and advised ITT on "safe channels" for money handover. ITT passed at least 350,000 dollars to this campaign. A roughly equal amount was passed by other U.S. companies.¹

After the election of September 4, 1970, when the U.S. Administration began to pursue a policy of economic pressure against Chile, it sought the support of Geneen and other Big Business figures. In particular, the 40 Committee offered the State Department to contact U.S. employers with interests in Chile to see if they were willing to share in exerting economic pressure. A CIA representative tried to coax ITT and other monopolies into adopting a harder line of action. As one can judge from CIA documents, the corporation favourably reacted to the proposal for launching "economic warfare".

The charges brought by Anderson against ITT over its intervention in foreign affairs and the pressure it exerted on the U.S. Government were supported by some cogent evidence. Secret ITT documents—cables and memos totalling some 80 pages, which the American journalist made public soon afterwards, revealed the corporation's top secret—the fact of a high-level ITT collusion with the CIA to influence the outcome of an election in a foreign country.

Just how telling was the blow produced by that staggering revelation was brought out by a curious piece of news appearing on September 9, 1975, in *The Washington Post* which quoted what it described as a reliable source. It said there had been a plan to liquidate Jack Anderson in 1972, and that the murder plan was dropped at the eleventh hour to be replaced by a staged "accident". Some evidence on the subject is to be found in the report of the Senate Committee under Frank Church, which investigated the CIA's undercover operations. The Committee, as the report stated, although it had not discovered any direct evidence of the murder plot against Anderson, did establish that the White House had attempted to discredit the journalist whose disclosures had touched off widespread international

¹ *Covert Action in Chile...*, p. 160.

repercussions.

A former CIA official, Howard Hunt, Jr., subsequently convicted for his implication in the Watergate Affair, testified before the Senate Committee that he had been summoned to the White House by Charles Colson, Special Counsel to the President, in December 1971 or January 1972, who told him that Anderson had become too much of an eyesore for President Nixon and it would be a good thing to find a way of discrediting him through the media so as to make all his claims look inconsistent, inarticulate and unfounded. According to Colson's testimony, President Nixon had more than once told him that it was necessary to do something to whittle down the public confidence in Anderson. As a CIA doctor testified, Hunt had asked him, in March 1972, for an "LSD-type drug" affecting mentality and modifying human behaviour and made it quite clear to him that he was acting under appropriate White House instructions.¹

So, the documents made public by the American journalist furnished striking evidence to prove what was becoming clear, in broad outline, even without them: the involvement of U.S. monopolies in an anti-Allende conspiracy and their criminal association with the Chilean mummies. The documents covered a rather short period—just a few weeks from mid-September to early November 1970, that is, between the national general elections which Allende, as the Popular Unity candidate, won so comfortably, and the congressional vote which was to settle the issue of his presidency late in October. But it was the nation's future that was at stake during those few weeks, full of intense political struggle. The documents retrace every move and every gesture which official representatives of the business giant of ITT made, in close alliance with prominent CIA and State Department figures, to oppose the inauguration of an elected President who was not to their liking. Some of the documents had been compiled by ITT representatives in Chile, others—by members of the company's staff in New York and Washington.

¹ *Supplementary Detailed Staff Reports on Foreign and Military Intelligence. Book IV. Final Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities, United States Senate, 94th Congress, 2nd Session, April 23, 1976, U. S. Government Printing Office, pp. 133-137.*

On September 14, 1970, that is, ten days after the Chilean election, the ITT Latin American expert, Jack Neal, the "anti-communist warhorse", as the company bosses called him, met Peter Vaky, Secretary of State Kissinger's adviser for Latin American affairs, and had a telephone conversation with the latter's assistant, Charles Meyer. Under a strictly confidential instruction from ITT President Harold Sydney Geneen, "the corporation's major driving force", Jack Neal informed the State Department that ITT "had offered to contribute up to seven figures" (sums running into millions) to finance any political move or a military coup to stop Allende taking office as President.¹

"I told Mr. Vaky," Jack Neal reported, "to tell Mr. Kissinger Mr. Geneen is willing to come to Washington to discuss ITT's interest and that we are prepared to assist financially in sums up to seven figures. I said Mr. Geneen's concern is not one of 'after the barn door has been locked', but that all along we have feared the Allende victory and have been trying unsuccessfully to get other American companies aroused over the fate of their investments, and join us in pre-election efforts."²

As transpired later on, this ITT proposal had also been communicated to Charles Meyer. According to McCone, Harold S. Geneen's original proposal, which he made as early as the summer of 1970, was rather specific: "What he told me at that time was that he was prepared to put as much as a million dollars in support of any plan that was adopted by the government for the purpose of bringing about a coalition of the opposition to Allende so that when confirmation was up, which was some months later, this coalition would be united and deprive Allende of his position."³

ITT documents deplored the refusal of other corporations with interests in Chile to back up the ITT position right away: "Repeated calls to firms such as GM, Ford, and banks in California and New York have drawn no offers of help. All have some sort of excuse."⁴

¹ A. Sampson, op. cit., p. 259.

² U. S. Congress, Senate, *Multinational Corporations and United States Foreign Policy*, Part 2, pp. 599-600, Appendix II.

³ U. S. Congress, Senate, *Multinational Corporations and United States Foreign Policy*, Part 1, p. 102.

⁴ Ibid., Part 2, p. 643.

These differing positions of various U.S. companies were shortlived, of course, and were a matter of tactics rather than strategy. Some U.S. corporations just did not want to take any chances and were in no hurry, therefore, to embark on any course of action until after the negotiations with the Allende government over compensation for their expropriated property.

In the meantime, the U.S. Ambassador to Chile, Edward M. Korry was hard at work to stop Allende's confirmation as President. Late in the evening of Tuesday, September 15, Ambassador Korry finally received an injunction from the State Department to act on behalf of President Nixon. The State Department's message authorised Korry to use any means (without resorting, however, to the kind of tactics applied to the Dominican Republic) to prevent Allende's accession to power. Even before Ambassador Korry received his government's order for all-out action, he had sent a rather emphatically worded memorandum of his own to the State Department. And, even without waiting for the State Department's authorisation, he, once the results of the presidential election were announced, took the matter up as he saw fit with representatives of the Christian Democratic Party, Radical, and National parties and other organisations of Chile.¹

On September 17, 1970, Hal Hendrix,² ITT political adviser, and Robert Berrellez, Vice-President of the ITT Latin American Branch, whose contact with the CIA was no secret to the corporation chiefs, reported from Santiago to the company's senior Vice-President Edward J. Gerrity, who had worked for the State Department for 30 years and was reputed to be Geneen's "eyes and ears", that the U.S. Ambassador to Chile Korry had received a State Department directive on September 15 authorising him "to take any steps on behalf of President Nixon in order to prevent Allende's assumption of power, short of straight Dominican-type armed intervention". Hendrix and Berrellez

¹ U. S. Congress, Senate, *Multinational Corporations and United States Foreign Policy*, Part 2, p. 614.

² Hendrix, a journalist by trade, was in charge of ITT's Latin American intelligence network. His dispatches from Miami during the 1962 Caribbean crisis, based on the CIA's intelligence, earned a high appraisal of U. S. government leaders. He was awarded the Pulitzer Prize. A. Sampson, op. cit., p. 262.

suggested stepping up the effort in support of Frei as one in favour of the anti-Allende coup. At this stage, they wrote, the key to whether we have a solution or a disaster is Frei—and how much pressure the U.S. and the anti-communist forces in Chile can bring to bear in the next couple of weeks. They went on to suggest more financial and other aid to *El Mercurio* (at that time the main periodical of the forces of reaction, and today the mouthpiece of the fascist Junta).

In the event of the plot succeeding and Allende losing the congressional vote, the report stated, there was “the threat of an explosion of violence and civil war”, at least “some degree of bloodshed seems inevitable”. Yet the real dilemma, Hendrix and Berrellez wrote, was different: “Is the Chilean military capable of coping with nationwide violence or a civil war?” On this subject opinions differed in Santiago. “Well-informed Chileans and some U.S. advisers believe the army and national police have the capability.” But Ambassador Korry who considered the Chilean Armed Forces a “bunch of toy soldiers” thought otherwise.

Eduard Frei (who continued as President pending Allende's confirmation by Congress) was quoted by Hendrix and Berrellez as having stated privately in a conversation with a State Department representative “that the country cannot be allowed to go communist and that Allende must be prevented from taking office”. Yet in his public pronouncements Frei avoided the subject, although pressure from the United States and from his own camp was mounting. Frei and the military were fearful of showing their cards prematurely. “To help strengthen his position, efforts are being made this week,” Hendrix and Berrellez reported. Ambassador Korry, they stated, “has never let up on Frei, to the point of telling him to ‘put his pants on’”.

“The anti-Allende effort,” Hendrix and Berrellez wrote further on, “more than likely will require some outside financial support. The degree of this assistance will be known better around October 1. We have pledged our support.”

They also reported that on September 13 they met Jorge Alessandri's close relative Arturo Matte, the 1952 presidential candidate, who assured them that the military stood pat on preventing Allende from coming to power, but “the Armed Forces leadership and Frei prefer a constitutional

way out (i.e., congressional election of Alessandri) that doesn't preclude violence—spontaneous or provoked": The constitutional solution could, for example, result from some widespread domestic violence, strikes, civil war in cities and rural areas, which would give the Armed Forces an excuse for such intervention at a certain stage. But it would be extremely difficult to do all that, Matte complained, because the left carefully avoided all provocation.

Hendrix and Berrellez admitted the fact of financial help having been offered to *El Mercurio*, the newspaper which on ITT command, had launched a large-scale campaign against Allende. It was getting, they reported, the same kind of aid from "other U.S. firms in Chile".¹

It is indicative that the Senate Committee's report, too, referred, quoting some of the testimony of the then CIA Director Helms, to masterminding the subversive pronouncements of *El Mercurio*, which was "one of the instruments used in the anti-Allende campaign". The funding of *El Mercurio* was done both by the U.S. Government and ITT, as the Senate Committee's report stated. This funding went on even after Allende had become President, as we shall yet see. The publisher, Augustín Edwards turned up in Washington on September 14, 1970. He was received by Kissinger and Mitchell in the morning of September 15. They all discussed the situation in Chile and the fortunes of *El Mercurio* and other anti-Allende newspapers. The day before Edwards was received by Helms in a hotel.

In a memo of September 21 to ITT Vice-President W. R. Merriam, Jack Neal related a conversation about the Chilean situation with John Fisher, the State Department's new Director of Andean and Pacific Affairs, quoting his comment that the State Department "has little or no faith in the Chilean military's willingness or ability to take control". "I told Fisher," Jack Neal wrote, "we had spoken to the White House and to his boss, Assistant Secretary Meyer, and that we are ready to see anyone or do anything possible. He said he understood our concern."

In a cable of September 22, Gerrity communicated to

¹ U. S. Congress, Senate, *Multinational Corporations and United States Foreign Policy*, Part 2, p. 614.

Geneen that the Hendrix-Berrellez report had been considered and the strategy they spelled out was found to be the best. With reference to Merriam's information, he told Geneen, besides, that "all possible pressures" had been exerted in Chile.¹

On September 29, the Director of the Latin American Department, W. Broe flew to New York to meet Gerrity, on orders from CIA Director Helms. On instructions from the CIA leadership Broe apprised him of the plan to create economic instability in Chile. On the same day Gerrity communicated the main points of the plan to Geneen in a coded message: "1. Banks should not renew credits or should delay in doing so. 2. Companies should drag feet in sending money, in making deliveries, in shipping spare parts. 3. Savings and loan companies there are in trouble. If pressure were applied, they would have to shut their doors, thereby creating stronger pressure. 4. We should withdraw all technical help and should not promise any technical assistance in the future. Companies in a position to do so should close their doors."

The transcript of William Broe's testimony before the Senate Committee concerning the said meeting:

"Senator Church: Did you discuss with Mr. Gerrity the feasibility of possible actions by U.S. companies designed to create or accelerate economic instability in Chile?"

Mr. Broe: I explored with Mr. Gerrity the feasibility of possible actions to apply some economic pressure on Chile; yes, sir.

Senator Church: What did you understand purpose of applying economic pressure to be?

Mr. Broe: Well, at the time, September 29, the Christian Democratic Members of Congress were showing indications of swinging their full support to Allende in the belief that they could make a political bargain with him... At the same time, the economic situation had worsened because of the reaction to the Allende election, and there were indications that this was worrying the Christian Democratic Congressmen. There was a thesis that additional deterioration in the economic situation could influence a number of Christian Democratic Congressmen who were planning to

¹ Ibid., p. 617.

vote for Allende.

Senator Church: This was the purpose, then. Did you discuss with Mr. Gerrity the feasibility of banks not renewing credits or delaying in doing so?

Mr. Broe: Yes, sir...

Senator Church: Did you discuss with Mr. Gerrity the feasibility of companies dragging their feet in spending money and making deliveries and in shipping spare parts?

Mr. Broe: Yes, I did.

Senator Church: Did you discuss with Mr. Gerrity the feasibility of creating pressure on savings and loan institutions in Chile so that they would have to shut their doors, thereby creating stronger pressure?

Mr. Broe: Yes.

Senator Church: Did you discuss with Mr. Gerrity the feasibility of withdrawing all technical help and not promising any technical assistance in the future?

Mr. Broe: Yes, sir."¹

As the cable of September 29 revealed, Broe had handed Gerrity a list of companies which were to be invited to share in carrying out the above-quoted plan and to which the ITT leadership proposed to extend this invitation. He pointed out that some specific measures towards throwing the nation into a state of economic chaos were already being taken, although some additional action became necessary. "We can contact key companies for their reactions and make suggestions in the hope that they might co-operate," Gerrity reported further on. He also brought to Geneen's knowledge a request from a representative of the presidential candidate, Alessandri, expressed by him in a conversation with the ITT Vice-President for Latin America Guilfoyle, "to do nothing to rock the boat because forces are at work to solve the problem". Gerrity concluded by reporting that he had assured Broe that ITT was ready to do everything possible to help the CIA carry out the plan which had been adopted.²

The same day Berrellez transmitted to New York that the congressional vote for Allende was almost beyond all doubt. The chances to the contrary were linked mostly with

¹ *Multinational Corporations and United States Foreign Policy*, op. cit., Part 1, pp. 250-51.

² *Ibid.*, pp. 627-28, Appendix II to p. 1.

the possibility of creating an economic crisis in the country which certain industrialist quarters and President Frei himself were working to bring about. Chile's economic situation was deteriorating fast, the escudo exchange rate fell by a third against the dollar after the election. The black market was buoyant. Everything was being done to bankrupt one or two big savings banks which would cause some banks to close down, some businesses to wind up, and unemployment to grow. Massive unemployment, general unrest and panic were designed to generate considerable disturbances which would prod the military into action. The Frei government was working toward the same end. Nevertheless, Berrellez deplored Frei's inconsistency. He quoted the latter as having told the members of his cabinet that the military ought to have him step down and take power into their own hands, thereby denying Allende the presidency. But, according to army sources, Frei did not approve of that mode of action when he talked to the military.

Considering that the situation still remained extremely involved and confused, Berrellez drew the ITT leadership's attention to the necessity of keeping the plot top secret so that the company's involvement in the subversive action against Chile "will not out".

On September 30, Jack Neal sent a memo to Merriam, giving facts and figures about the "grants and loans" from the United States to Chile "to fight the danger of Marxism" with. From 1961 to 1970, the USA allocated 1,336.4 million dollars for this purpose. Deploring that the millions expended could not "save" Chile from the Allende victory, Jack Neal underscored: the State Department has to take up a more active and tough stand with respect to the left forces.

Neal was sure that in case of Allende being elected, the Nixon Administration would be prepared to exert appropriate pressure on Chile quickly enough. "I look," he wrote, "for the silent pressure which will call for a drying-up of aid and instructions to U.S. representatives in the international banks to vote against or abstain from voting on Chilean loans."¹ The ITT International Relations Director must have been perfectly aware of the kind of things the President and his cabinet members discussed and decided at

¹ Ibid., Part 2, p. 629, Appendix II.

their top secret September conferences in the National Security Council.

After it became clear that a large proportion of Christian Democrats intended to vote for Allende's confirmation as President and, consequently, to guarantee his accession to power, the United States decided to keep up economic pressure on Chile. Now, however, the CIA and ITT set themselves somewhat different objectives, the idea behind economic pressure was to make the Chilean military actively intervene in the country's political developments rather than influence the recalcitrant Christian Democratic Congressmen.

This solution to the problem was urged as the most practicable in a memorandum compiled by ITT representatives in Chile, which admitted that Allende had congressional support. From then on the CIA directed its efforts straight towards organising a military coup which they saw as the only feasible opportunity of depriving Allende of his position.

Here is how William Merriam summed up his conversation with William Broe at CIA Headquarters on October 9 in a report to one of the ITT directors, John McCone: "Today I had lunch with our contact at the McLean agency, and I summarise for you the results of our conversation. He is still very, very pessimistic about defeating Allende when the congressional vote takes place on October 24. Approaches continue to be made to select members of the Armed Forces in an attempt to have them lead some sort of uprising." Reporting further on that Allende keeps contacting (and not without success) the military at various levels, trying to win them over to the Popular Unity coalition, Merriam concluded: "Thus it is easy to understand why there is a problem in getting the military to take action."¹

On October 15, Jack Neal reported to William Merriam about his conversation with Ambassador Korry summoned to Washington for consultations. The consultations must have been parallel—with the State Department and ITT. Neal communicated the Ambassador's view that in spite of the on-going counter-action, Allende would be confirmed by Congress and that the Russians had played no part in Allende's election, contrary to propaganda allegations.

¹ Ibid., Part 2, p. 644.

Korry declared that the amount of U.S. aid to Chile would be reduced as much as possible. The cut-off would be denied by the State Department, as it had been in the past. The economic sanctions, Korry considered, would make Allende stick at least, to a moderate course.

Hendrix's memo of October 16 to Gerrity revealed that the ITT leadership knew about the military coup being plotted by General Roberto Viaux. The memo opened with a warning that unless the "dissident Chilean military elements" went into action before the middle of the coming week, Allende would be elected by Congress on October 24. "The chance of a military coup is slim," the memo said, "but it continues to exist... A key figure in this possibility is former Brigadier General Roberto Viaux... Clearly, Viaux was gearing up to launch a move last week. Rumours that he would trigger a coup on October 9 or 10 were rampant in Chile and spilled over into Buenos Aires, Argentina. It is a fact that word was passed to Viaux from Washington to hold back last week. It was felt that he was not adequately prepared, his timing was off, and he should 'cool it' for a later unspecified date. Emissaries pointed out to him that if he moved prematurely and lost, his defeat would be tantamount to a 'Bay of Pigs in Chile'" (reference to the abortive landing of Cuban counter-revolutionaries in Playa-Giron in 1961). He was orally assured that the United States would guarantee material aid and support for this operation at a later date.

"It is firm and continuing policy that Allende be overthrown by a coup," the CIA Headquarters cable of October 16 said. "We are to continue to generate maximum pressure toward this end, utilising every appropriate resource."

As reported by Hendrix in his memo, news of the coup being hatched by General Viaux, with Frei's connivance, must have reached the newly elected President. In one of his public speeches Allende declared, without mincing words, that "Chile is flooded by CIA agents".

In a tone of satisfaction, the writer of the memo stated that "business conditions are worsening steadily throughout Chile, unemployment is rising, and the flight of capital is continuing." Many workers were on strike for wage increases (of up to 50 per cent), which would create big difficulties for Allende if he did come to power.¹

¹ Ibid., Part 2, pp. 659-63.

On October 22, Hendrix communicated from Santiago to Gerrity in New York that there had just been an attempt on General Schneider, Commander-in-Chief of the Chilean Land Forces. Hendrix suggested that the appointment of General Carlos Prats to this post would reduce the chances of a military coup. Let us say, by way of forestalling the plot of the story, that the subsequent developments bore out the prediction: early in November 1972, President Allende, determined to reinforce the authority of Popular Unity, reorganised the government, bringing in the commanders of the three armed services along with the Chairman and Secretary of the United Workers' Centre (CUT), with the office of Interior Minister, equivalent to that of Vice-President, going to General Prats, Commander-in-Chief of the Land Forces. The latter declared that he supported the Allende government as the nation's sole legitimate and constitutional authority following a programme which is known to everybody and "which it has been elected to carry out".¹

In his memo of October 22 for Gerrity, Merriam wrote: "I have just met with Dr. Den, Tim Stanley, and Jack Neal on the above subject [the subject of Chile-F.S.]. All of us went over in great detail possible repercussions in Chile if and when it becomes known that we are pushing the State Department along certain lines. I, personally, feel that we don't have much to lose one way or the other, unless, of course, our so-called 'pressures' come back to haunt us in other Latin American countries."²

The course of events in Chile made it quite clear that, contrary to the expectations of reactionary forces, a representative of the left was to become the country's President in November. ITT launched a policy of external economic pressure aimed at creating an atmosphere of economic chaos in the country and undermining the positions of the new government. The President of the ITT Board, Geneen stressed at that point that the corporation's officials,

¹ "This statement," I. R. Lavretsky wrote, "shows that General Prats and his supporters in the Armed Forces were behind the government, which was upsetting the subversive plans of the opposition counting on support from top-ranking officers," I. Lavretsky, op. cit., p. 183.

² U. S. Congress, Senate, *Multinational Corporations and United States Foreign Policy*, Part 2, p. 676, Appendix II, 1973.

together with those of the U.S. Administration, "should demand that U.S. representatives of international banks take a strong stand against any loan to countries expropriating American companies or discriminating against foreign private capital."¹ The guidelines of that policy were detailed in an ITT memorandum analysing U.S. policy towards the countries of Latin America, which was handed to Henry Kissinger. In that document the ITT Directorate called for harsh sanctions to be taken against those countries of the continent which, like Peru, Bolivia and—shortly—Chile, were ignoring the interests of U.S. capital and "showed no gratitude" to the United States which had invested upwards of 8,000 million dollars in Latin America in the space of seven years.²

The authors of the memorandum insisted on all kinds of economic and political sanctions being applied against the Popular Unity Government so as to make it impossible for Allende to "hold out for the six decisive months following the election". The ITT Directorate's action programme provided for economic warfare and diplomatic sabotage against Chile.

"Inform President Allende," the memorandum said in terms of an order, "that if his policy requires expropriation of American property, the United States expects speedy compensation in U.S. dollars or convertible foreign currency as required by international law. Inform him that in the event speedy compensation is not forthcoming, there will be immediate repercussions in official and private circles. This could mean a stoppage of all loans by international banks and U.S. private banks. Continue the foregoing trend with every possible pressure which might keep Dr. Allende within bounds... Without informing President Allende, all U.S. aid funds already committed to Chile should be placed in the 'under review' status in order that entry of money into Chile is temporarily stopped with a view to a permanent cut-off if necessary. This includes 'funds in the pipeline' or 'letters of credit' or any such."³

This memorandum was presented to the U.S. Government on October 23, that is, the day after the murder of Ge-

¹ Ibid., p. 666.

² Ibid., p. 717.

³ Ibid., pp. 720-21.

neral Schneider and one before the confirmation of Allende as President by the Chilean Congress. Kissinger was lavish of praise for Merriam. "I have read it carefully and I have passed it to those members of my staff who deal with Latin American matters," Kissinger communicated in his reply of November 9, 1970, to Merriam. "It is very helpful to have your thoughts and recommendations, and we shall certainly take them into account."

Merriam immediately relayed Kissinger's letter to Gerrity with the following note: "Believe this is more than perfunctory. Things are brewing on the Chile matter and I will be back to you later on that subject."

Anderson's disclosures were so striking and irrefutable that U.S. Congress had to launch a special inquiry into the influence which multinational corporations had on U.S. foreign policy, starting with ITT activities in Chile and its relations with the CIA. A Subcommittee on Multinational Corporations under the chairmanship of Senator Frank Church was set up. The members of the Subcommittee were authorised to summon ITT, CIA and government officials to testify before it. The hearings began as late as March 20, 1973, that is, exactly a year after Anderson's articles were published.

The American press reported the progress of the inquiry from time to time. It became known, for instance, that as early as 1964 ITT had offered money to the CIA to influence the election in Chile or, to be exact, to prevent a victory of the left with Allende in the lead.

The hearings of the testimony by Broe, Geneen, McCone, Merriam and others brought out more facts and details of ITT involvement in Chile. It was established, in particular, that back in early 1970 Geneen and McCone, worried by a prospect of possible change in Chile, had a special ITT Board meeting to discuss the ways of blocking Allende from presidency. Later on McCone talked it over with his intimate friend, CIA Director Helms, in Washington and in his California home. That conversation led to ITT President Geneen meeting the CIA Western Hemisphere Department Chief, William Broe.

According to Merriam's testimony, Geneen arranged for him to meet Broe in June 1970, and offered to keep up contact with the latter, whom he called "our man". Merriam testified that he had met Broe many times and had him pass

the reports on the political situation in Chile to most responsible U.S. officials, including the Secretary of State's assistants and advisers dealing with Latin American affairs.

At the same time, in an effort to mislead Congress, McCone and other ITT chiefs maintained that the corporation had made no plans to block Allende, and that the promise of a million dollars had nothing to do with any attempt at undermining the Chilean economy. They went as far as to make the ridiculous claim that the said amount of money was for home-building.

In the end, however, the ITT President Geneen himself had to admit that he had more than once offered money to the CIA and the State Department to support any move by the U.S. Government to bring about a coalition of the parties in opposition to Allende.¹ McCone confirmed that he had personally relayed Geneen's offers of one million dollars to Kissinger and Helms in mid-September 1970 to finance action to prevent Allende from taking office as President. Kissinger thanked McCone very much and said he would communicate with him if a concrete plan were proposed.

The testimony produced by witnesses revealed that ITT had bombarded the White House, the State Department, and the CIA with letters, cables, phone calls, and visits in an attempt to get the government to intervene in the Chilean events "on their behalf". "If Allende was faced with economic collapse, he might be more congenial toward paying us off," Merriam said when he explained the corporation's stand to Senators.² Along with other U.S. corporations, ITT did not only determine, but dictated to the U.S. executive authority an appropriate policy, up to most down-to-earth action. The frenzied lobbyism of ITT which sought White House support in opposing Allende was confirmed by an extensive report of Senator Church's Subcommittee, published in June 1973.

The results of the Senate Subcommittee's hearings brought forth a series of publications and commentaries which furnished more evidence of a very deep-rooted relationship between ITT's activities and U.S. foreign policy.

¹ A. Sampson, op. cit., p. 276.

² Ovid Demaris, *Dirty Business. The Corporate-Political Money-Power Game*, Harper's Magazine Press, Published in Association with Harper & Row, New York, 1974, p. 139.

But what about the link between the Chilean events and other backstage forces, their role and their ominous involvement in the political tragedy?

Not a word about that so far. The reading public were offered the "sacrifice" of a few ITT functionaries as if they, by their own volition, had served not only the corporation, but the CIA as well.

This has become routine tactics of American bourgeois propaganda, a kind of stereotyped device for "letting off the steam" after actions producing public disquiet, resentment and protest. But these propaganda devices change nothing in the substance of the matter. Disclosures of ITT action, whatever the particular considerations behind them, reveal the general scheme of the organisation of such plots: monopolies—chief executives—intelligence service. This is what the General Secretary of the Communist Party, USA, Gus Hall emphasised in New York on October 15, 1973: "The 'hit men', the murdering butchers in military officers' uniform in Santiago are Chilean, but the power behind the barrels of those guns is the power furnished by U.S. monopoly corporations."¹

As subsequent developments showed, the inquiry had not revealed the full picture of the collusion between ITT and the intelligence service. In December 1976, the U.S. Federal Grand Jury established that "high officials of the Central Intelligence Agency and the International Telephone and Telegraph Corporation were involved in a conspiracy to fabricate and co-ordinate the statements they made to a 1973 Senate inquiry into ITT's role in Chile."² The object was to have the hearings prove that ITT and the CIA ostensibly maintained no secret contact with one another, nor exchanged intelligence on Chile. According to Justice Department sources, Geneen repeatedly claimed in his testimony before the Church Committee in March and April 1973 that ITT had offered no money to any political leaders or parties in Chile. Yet another Senate Committee reported that ITT, in compliance with the request from the National Security Council, passed 350,000 dollars in cash into the Christian Democratic Party's fund in the course of the pre-election campaign in Chile in 1970.³ Hendrix

¹ *Daily World*, October 16, 1973.

² *The New York Times*, December 23, 1976, p. C1.

³ *Ibid.*

confessed to Justice Department officials that during the Senate Select Committee's hearings in 1973 he "withheld some essential information from U.S. Congress regarding the character of relationship of ITT and his own with the CIA". In the spring of 1972, when it became known that a Senate Committee intended to investigate ITT activities in Chile, Hendrix, uneasy over the prospect of his contact with the CIA in South America coming to light during an inquiry, communicated his apprehension to Agency men. Before the hearings started, he had consulted them on the subject many times. The Justice Department procured some official CIA accounts of the substance of the conversations with Hendrix. These accounts made it clear that Hendrix intended to withhold from the Committee all evidence of his contact with the CIA which he had continued to maintain after he left the Miami News Publishing House and entered ITT employment.

So, it is ITT, along with the CIA, that had taken the initiative in drawing up a plan of economic warfare which created serious difficulties for the Chilean economy.

The General Secretary of the Communist Party, USA, Gus Hall sent a message to Senator J. Sparkman, Chairman of the Senate Committee on Foreign Relations, stating, in part: "I imperatively urge you to invite former Chilean Senator Luis Corvalan, to testify before your Committee in the light of the implication of the Central Intelligence Agency and the ITT Company in the overthrow of the Allende government, as witnessed by the reports of a special Senate Intelligence Committee." There was no reply from Senator J. Sparkman.

Of course, ITT was by no means the only company to have, at first, attempted, together with the CIA, to prevent the Popular Unity Government from coming to power, and, then, after the September general election, to have launched an intense subversive action project to bring it down. Other concerned U.S. monopolies have since been found to have acted in the same way. *The New York Times* reported late in 1976, with reference to State Department documents, that the bosses of the Anaconda Company, which held a large proportion of copper mine shares in Chile, as well as other companies with interests in Latin America, had set aside 500,000 dollars for intervention in Chile's internal affairs

during the 1970 election campaign.¹ These documents revealed that the former Chairman of the Anaconda Board of Directors, Jay Parkinson, who was also President of the Council for Latin American Affairs, the advisory group of representatives of 220 big corporations which held between them 85 per cent of private U.S. investment in the Latin American continent, met some high State Department officials on April 10, 1970, to insist on active U.S. Government involvement in Chilean election with a view to blocking Allende's accession to presidency.²

In spite of the joint effort by important CIA figures and financial tycoons from ITT and other monopolies with the backing of high U.S. Government echelons, all their attempts, in concert with Chilean reactionary forces, to defeat Allende in 1970 failed. The victory of the Popular Unity coalition in Chile and the installation of a popular government led by a Socialist, Allende, was the greatest setback for the United States on the Latin American continent, next to the founding of socialist Cuba.

U.S. monopoly capital did not give up its aims, nor did it lay down arms. The ITT policy eventually became part and parcel of U.S. Government policy and its implementation came to be seen as the principal way to the achievement of U.S. economic objectives in Chile. The days when the corporations and the Government of the United States acted in disaccord and had no articulate political programme to follow were over and representatives of the U.S. Administration, the Central Intelligence Agency and ITT had reached full mutual understanding. This meeting of minds was discovered soon after Allende's inauguration as President: it was unanimously decided that U.S. policy towards Chile was to comprise, first, economic pressure from outside with a view to disrupting the operation of the most vulnerable sectors of the Chilean economy, and, second, the creation of a favourable political environment for staging a coup d'état which, as the U.S. ruling establishment believed, might take far more time to carry through than Allende's opponents had expected right after his election victory.

The struggle against the Popular Unity Government entered, therefore, a new stage.

¹ According to Ambassador Korry's testimony, all of the State Department's correspondence concerning the Anaconda Company's offer of April 1970, has been withdrawn from government record files.

² *The New York Times*, December 24, 1976, p. A3.

Chapter VI THE COUP STAGED

Salvador Allende took office as the President of Chile on November 4, 1970. In its programme, the Popular Unity bloc said that "Chile is a country dependent on imperialist states", and announced its intention to "restructure the country's economic system and to put an end to the rule of monopoly capital, whether Chilean or foreign, and to the power of big landowners."¹

Salvador Allende's inauguration fetched a cool, ill-wishing reaction and thinly veiled hostility from the U.S. Administration.

In a report to Congress in February 1971, President Nixon declared: "The 1970 election of a Socialist President may have profound implications not only for its people but for the inter-American system as well. The government's legitimacy is not in question, but its ideology is likely to influence its actions. Chile's decision to establish ties with communist Cuba, contrary to the collective policy of the OAS, was a challenge to the inter-American system... Our bilateral policy is to keep open lines of communication. We will not be the ones to upset traditional relations... In short, we are prepared to have the kind of relationship with the Chilean Government that it is prepared to have with us."²

¹ *Programa Básico de Gobierno de Unidad Popular*, Santiago, Impresora Horizonte, pp. 5, 20.

² Richard Nixon, "U. S. Foreign Policy for the 1970s", *A Report*

The reason why Nixon had to make so hypocritical a statement was because he wanted to cover up the true intentions of the United States which had already embarked on a large-scale programme of secret war. Here is how one of the U. S. Administrations's advisers for Latin American affairs described the mood of the ruling establishment at the time: "The election of Allende came as something of a surprise. People did not really believe it would happen. I think there was a fairly strong reaction to that election in the White House. The concept of a Marxist freely elected. The approach taken was ... correct but cool. But the expectation was that there would be problems because of the kind of people in the coalition, the programme of the coalition, the kind of statements made, and the clear intention of nationalising the copper industry. Our policy was characterised increasingly by a growing resentment of economic nationalism, and a feeling that we couldn't ignore this."¹

Two important factors had a decisive influence on shaping U. S. policy towards Chile. First, there was a danger of Chile's foreign economic relations being reoriented so as to reduce the role which the United States played in them. The latter was particularly averse to the inevitable extension of Chile's trade and economic relations with Cuba, the USSR and other socialist countries. There was, besides, the likelihood of Chile increasing her economic contacts, at the U.S. expense, with the countries of Western Europe, above all, with West Germany, and also with Japan whose monopoly capital had been strengthening its foothold in the South American continent in the competitive struggle against U. S. monopolies and often shows itself to be very flexible in dealing with the governments of Latin American countries. This greatly disturbed the U.S. ruling establishment as it had never so much as contemplated a possibility

to Congress, February 25, 1971, Washington, D.C., U.S. Government Printing Office, 1971, p. 54.

Allende, stating, in connection with the U. S. President's declaration, that "the interests of the United States and the interests of Latin America fundamentally have nothing in common", still emphasised that Chile "wants to maintain cordial and co-operative relations with all nations in the world and most particularly with the United States..."—Salvador Allende, *Chile's Road to Socialism*, Baltimore, Penguin Books, 1973, pp. 105, 106.

¹ J. Petras and M. Morley, op. cit., p. 40.

of Chile ridding herself of U. S. guardianship.

The second factor resided in the need to take into account the impact the Chilean way of development could have on other countries of Latin America, that is what many officials called a "domino effect". Chile's successes would have encouraged trends towards economic and political independence throughout the continent. And, conversely, if the Chilean experiment failed, the United States and its acolytes would have a better chance to speak of "setbacks" of socialism.

It is because of all these factors combined that the U. S. Administration's policy towards the Allende government was one of unabated hostility, aimed at defeating its declared objectives and, in the long run, exploiting the Chilean example as a piece of evidence to demonstrate that Marxist regimes are foredoomed. This was the policy the U. S. ruling establishment had been invariably following ever since Allende won the general election. It was specified when the White House, the National Security Council and the CIA mapped a special political course, a two-pronged offensive: a sustained economic confrontation was to be coupled with a progressive disorganisation of the internal life of Chile as a state.

American imperialist elements resorted to all trickery—diplomatic, military, economic—as well as to covert subversive action, to keep Chile within the system of economic, social and political dependence on the United States. It was, however, economic subversion that predominated.

U.S. economic policy towards Chile throughout the years of Allende's presidency was determined, as the Senate Select Committee's report pointed out, at top-most government level and co-ordinated by a special inter-departmental agency, with the National Security Council playing the main role. "Chile is the concern of the National Security Council," U. S. Administration officials used to say.

The National Security Council was responsible for dividing functions between government agencies engaged in carrying out this policy, which allowed its representatives to act as intermediaries between various departments and organisations in deciding on any particular course of action.

The National Security Council was dead-set to exercise maximum pressure on Chile, without, however, allowing a premature break-off of official relations (that is, avoiding it

until preparations for the coup were over).

The policy of economic pressure on Chile, formulated in the National Security Council's Memorandum—NSDM 93 in November 1970, was carried out by a variety of tactical means. While assiduously cultivating the impression of Chile's lack of "creditworthiness" and trying to undermine the confidence international financial circles had in that country, the U. S. Administration did whatever it could to worsen her monetary and financial position as much as possible. It brought extra pressure to bear on international financial organisations and foreign creditors of Chile to deprive her of credits. While maintaining a far-reaching economic blockade of the country and in every way encouraging the sabotage activities by the Chilean big bourgeoisie and middle classes, the United States put the blame for the resulting "national chaos" on the Allende government and its domestic policy.

To divert attention from the subversive campaign it had co-ordinated against the Popular Unity Government, the U.S. Administration went on publicly professing the interest it took in negotiations with the Allende government, urging moderation and compromise for the sake of removing major differences.

This declared interest had yet another hidden motive behind it. "Our intelligence requirement in the negotiations [on debt repayment—F.S.] between the United States and Chile," a high-ranking CIA official declared, "would be to try and find out, through our sources, what their reaction to a negotiating session was, what their reading of our position was, what their assessment of the state of negotiations is."¹

The Nixon Administration constantly claimed it was determined to make "a real effort to avoid a direct confrontation", with Chile, and proclaimed its "unwavering willingness ... to take the extra step" towards "continuous negotiating" and "to be keeping the door open".² In actual fact, however, this widely advertised intention was no more than a tactical ploy in the overall U. S. strategic plan. The object was to "gain time" so that the pressure exerted by the United States on Chile in the economic field could gradually lead to a general social crisis and direct interven-

¹ *The Washington Post*, October 21, 1973, p. C5.

² J. Petras and M. Morley, op. cit., p. 81.

tion of the military in the nation's political life. In a special memorandum to the State Department, transmitted in the first half of 1971, the then U. S. Ambassador to Chile Nathaniel Davis stressed that the military coup was likely to take place only if opposition inside the country to the Popular Unity Government became "so overwhelming, and discontent so great, that military intervention is overwhelmingly invited".¹

U.S. economic pressure on the Allende government through a denial of federal and private credits began right after the 1970 election. That action was a reaction to the Chilean government's projected fundamental social reforms rather than a retaliation against the nationalisation of U. S. corporate property. The U. S. ruling establishment expected that American economic pressure on Chile as well as the difficulties arising from her limited access to aid from international organisations would compel the Allende government to seek a compromise arrangement with the United States or lead to a reversal of the domestic political situation in Chile.

By February 1971, the outlook for the subsequent development of relations between the United States and Chile had become clear. A Chilean delegation led by Economics Minister Pedro Vuskovic visited the United States to discuss the continuation of federal loans and credits to Chile and private American investment in that country. In the course of these negotiations high-ranking U. S. representatives imperatively stressed the importance of getting adequate compensation for the expropriated property of foreign companies. This fact shows once more how strong was the pressure which the corporations of mining and other industries brought to bear on the U. S. Administration.

On August 11, 1971, the State Department struck Chile off the list of the continent's states eligible for U.S. development loans. As the American press subsequently reported, the National Security Council had held once-a-week inter-agency meetings within the framework of the working group to elaborate a policy of economic sanctions ("retaliation", as they put it) against Chile. "The whole purpose of the meetings in the first couple of months after the election was to ensure that the various aid agencies and

¹ *The Washington Post*, March 28, 1972, p. B11.

lending agencies were rejiggered to make sure that Allende wasn't to get a penny."¹

During the period between 1964 and 1970 Chile received more than 1,000 million dollars as economic "aid" from the U.S. Agency for International Development, the U.S. Export-Import Bank, the International Bank for Reconstruction and Development and the Inter-American Development Bank. In the same period private American banks granted Chile between 200 and 300 million dollars worth of short-term commercial credits. Nearly 80 per cent of all short-term credits came from U. S. companies and banks. During the lifetime of the Popular Unity Government none of the above-mentioned organisations lent Chile any assistance to speak of.

The United States almost totally suspended the economic aid which was enjoyed by the Christian Democratic government. U. S. aid to Chile, which amounted to 35 million dollars in 1969, shrank to 1.5 million dollars in 1971. The position of the Export-Import Bank fit in perfectly with the objectives of the U.S. Government's economic policy towards Chile. In the autumn of 1970, this bank relegated Chile from the category of countries in receipt of "B" credits into the lowest "D" group comprising the least solvent nations.

In August 1971, the Export-Import Bank informed the Chilean Ambassador in Washington that any subsequent decision on granting loans or credit guarantees by that Bank would totally depend on the solution of the conflict arising from the nationalisation of copper mines. It also suspended the "payment of loans under an earlier agreement with the Frei government". It is noteworthy that this action was taken a month after the nationalisation and two months before the final decision on compensation.

A review of American publications shows that the White House and the National Security Council played the decisive part in this business. One thing to confirm was the incident which occurred at the time between the Export-Import Bank and Chile. The President of the Board of that Bank Henry Kearns declared in June 1971 that the Chilean Government's request for a loan to purchase Boeing jet airliners from the USA had been turned down because of

¹ *The New York Times*, September 15, 1974, pp. 1, 19.

the absence of reliable guarantees of compensation for the property of expropriated U. S. copper mining companies.¹ As official spokesmen for the U. S. Administration subsequently acknowledged, that decision was of a purely political character and the factor of Chile's "creditworthiness" had essentially nothing to do with it. More, it implied even ignoring the misgivings of the State Department which held that such a decision could have an ill effect on the dialogue between the United States and Chile and on the course of "delicate negotiations elsewhere in Latin America, notably Venezuela",² the position taken by the White House was not modified. State Department officials contended privately that the final decision to deny Chile this loan had been taken at White House level under pressure from private U.S. companies.

At the same time, all private U. S. banks, acting in concert, suspended their credits (adding up to 220 million dollars) for import financing. The credits for the purchase of grain which the Chileans sorely needed were slashed.

"The administration ostensibly took a hands-off stance in 1970," *The Washington Post* wrote. "Yet then and since,

¹ *The Washington Post*, June 4, 1971, p. A10. In his testimony before the Senate Foreign Relations Committee, John H. Crimmins, Acting Assistant Secretary of State, attempted to justify the Bank's decision while, at the same time, supporting an increase in U. S. military credits to Chile for the purchase of military equipment. Committee Chairman William Fulbright pointed to the contradictory nature of Crimmins' position: "It seems to me a very ironic thing that you even question the sale of a 707 and yet you positively already recommended an increase in military sales. It seems a very odd posture for the United States to be in or even having doubts about giving Chile the right to buy on the usual terms, with the Export Bank which was established for that purpose, a civilian transport which I am sure Boeing is most anxious to sell, and then without any hesitation apparently recommending a 6 million dollar increase in the military sales." *U. S. Congress, Senate, Committee on Foreign Relations, Inter-American Development Bank Funds for Special Operations, 92nd Congress, 1st session, June 4, 1971* (Washington, D. C., U. S. Government Printing Office, 1971), p. 59.

The Washington Post called the episode "a major failure of American policy" and declared that "no self-respecting government, Marxist or otherwise, can be expected to dance a jig for Henry Kearns". Senator Kennedy called it a "heavyhanded" policy—*The Washington Post*, September 14, 1971. Cited from: J. Petras and M. Morley, op. cit., p. 196.

² *Latin America*, London, August 20, 1971, p. 265.

the United States has used its influence in the international banks to block *all* new credits to Chile on the publicly stated grounds that Chile's financial condition and credit-worthiness were shaky."¹

But for two loans, totalling 11.6 million dollars, for educational facilities for the Austral and Catholic universities, the Inter-American Development Bank granted no long-term loans to the Allende government. The decision to grant Chile a 30-million-dollar loan for the construction of a petrochemical complex was suspended indefinitely after the U. S. member of the Board had lambasted the Bank's plan to send a delegation of technical experts to Chile for an on-the-spot inquiry.² According to the testimony of a representative of the Inter-American Committee on the Alliance for Progress, the United States applied a variety of methods to stop loans to the Allende government from the Inter-American Development Bank. "The U. S. had the opportunity in the IDB to hold up loans. The pressure could go through different channels: 1) veto power...; 2) either by using the power you have in the subcommissions of the Board; 3) the political way—calling the director of this department and telling him what you think. At least the last two methods were used."³

The same situation obtained in the International Bank for Reconstruction and Development which had granted no loan to the Allende government although it had a number of detailed project plans before it. On one occasion a visit by a group of experts to Chile for an economic assessment of a fruit-processing factory project (to have been part of the agrarian reform programme) was called off at the State Department's bidding.

Although Chile received no more loans, she continued the payment of service of her debt to the bank. At the annual meetings of the Board of Governors of the International Bank for Reconstruction and Development in 1972, the Chilean representative Alfonso Inostroza pointed out that the Bank's payment of money under loans approved before Allende's accession to power was roughly equivalent to Chile's contributions to the Bank. "If no fresh credits are

¹ *The Washington Post*, April 5, 1973, p. A 26.

² J. Petras and M. Morley, op. cit., p. 93.

³ Ibid., p. 94.

granted to us," he continued, "the time will come when Chile's debt service payments to the Bank exceed the sums which it received from it. The paradox would then come to pass of Chile becoming a net exporter of capital to the World Bank instead of the Bank assisting Chile."¹

In October 1971, a congressional subcommittee inquired of Treasury Under-Secretary Walker as to what the U. S. position within the World Bank or the Inter-American Development Bank would be in response to a loan request from the Allende government: "I would put it within the context of an expropriation of property in which there has been absolutely no indication up to this time that the compensation will be adequate or timely," Walker declared. "On that basis if a loan to Chile were to come up today in the Inter-American Development Bank or the World Bank—the World Bank has a rule and they would not lend to Chile under the circumstances, but the IDB has no such rule—there is no doubt in my mind what Secretary Connally's instructions to Mr. Constanzo (U. S. Executive Director) would be..."²

The policy of the International Monetary Fund in respect of Chile was double-faced. Although, like the International Bank for Reconstruction and Development, it makes granting of aid to any particular country conditional on its economic policy, the leaders of this financial organisation accepted to revise the issue of the debt and opposed the U.S. proposal to limit the whole thing to a stand-by agreement.

¹ *International Bank for Reconstruction and Development, International Finance Corporations, Annual Meetings of the Board of Governors, September 25-29, 1972, Summary Proceedings, Washington, International Development Association, 1972, pp. 58-59. Cited from: J. Petras and M. Morley, op. cit., pp. 94-95.*

² *U. S. Congress, House, To Authorize the United States to Provide Additional Financial Resources to the Asian Development Bank and the Inter-American Development Bank, p. 139. Cited from: J. Petras and M. Morley, op. cit., p. 95.*

U.S. citizens make up only 18 per cent of the staff of the Inter-American Development Bank and some 27 per cent of the staff of the World Bank and the International Development Association. Yet in both of these institutions U. S. officials hold 42 per cent of the managerial posts.—*U. S. Congress, House, Committee on Foreign Affairs, The United States and the Multilateral Development Banks, 93rd Congress, 2nd session, March 1974, Washington, U. S. Government Printing Office, 1974, pp. 214-15. Cited from: J. Petras and M. Morley, op. cit., p. 197.*

The granting of loans to Chile in 1971 and 1972 to the tune of 39.5 million and 42.8 million dollars respectively out of the export compensation reserves of the International Monetary Fund reflected the fact that the Fund "is not a bank but a mechanism to assist member-countries with foreign exchange difficulties."¹ This argument did not satisfy the United States and it tried to get IMF Director Pierre-Paul Schweitzer dismissed. This attempt was strongly resisted by the Fund's Latin American and European members. Nevertheless, as J. Petras and M. Morley believe, the partial U. S. setback on the issue of loan granting to Chile by the above-mentioned organisation should not be overrated because it was a matter of special-purpose credits only.² The granting of long-term credits for economic development was left to depend on whether or not Chile accepted the rigid terms of stand-by agreements of the International Monetary Fund. What this implied, in point of fact, was that the Allende government would have to surrender some of its sovereignty and agree to the nation's economic problems being resolved through cuts in the living standard of the working class. The almost total freeze of long-term credits by the U. S. Agency for International Development, the Inter-American Development Bank and the International Bank for Reconstruction and Development coupled with the demand for the immediate repayment of the debts contracted by the previous governments (Alesandri and Frei) worsened the country's financial and monetary position and brought about a shortage of resources for long-term economic development. Besides, this meant a severe curtailment of import possibilities which was bound to have a disastrous impact on the population's standard of living as time went on.

It is, as demonstrated earlier on, the U. S. corporations that led the drive to shatter the foundations of the national economy and cause economic disarray. Their subversive activities were notably stepped up right after the installation of the Allende government. An Ad Hoc Committee was formed under ITT auspices to apply pressure on the U. S. Administration "wherever possible to make it clear that a

¹ Paul E. Sigmund, "The Invisible Blockade and the Overthrow of Allende", *Foreign Affairs*, January 1974, p. 329.

² J. Petras and M. Morley, op. cit., p. 96.

Chilean takeover would not be tolerated without serious repercussions following".¹

Pressure was exerted, above all, on Kissinger, the National Security Council and U. S. Congress. Contact with Kissinger's staff was maintained in January and February 1971 through the Senior Adviser for Latin American Affairs Arnold Nachmanoff. As ITT documents revealed, Nachmanoff had told its officials that the circles he represented believed "the best way to get at Chile is through her economy".²

Nachmanoff indicated that the United States would apply pressure on the Allende government "along economic lines and encourage other countries not to invest in Chile".³ ITT representatives suggested at the Committee's very first meeting that the "threat of economic chaos" would compel the Allende government to change its attitude toward the problems of U. S. corporations in Chile.⁴

In October 1971, executives of six U. S. corporations with investments in Chile (Anaconda, Ford Motor Company, First National City Bank, Bank of America, Ralston Purina, and ITT) met with Secretary of State Rogers "for an 'open discussion' on their predicament and of the possible response by the government".⁵ Rogers opened the meeting by assuring them that "the Nixon Administration was a 'business administration' in favour of business and its mission was to protect business."⁶ He voiced concern that Chile's actions could have a "domino effect" throughout Latin America in the absence of strong U. S. retaliatory action. Rogers raised the issue of an unofficial embargo in spare

¹ This quotation figured in the memorandum prepared by a representative of the Bank of America Roland R. Raddatz. It summed up the proceedings of the Ad Hoc Committee's first meeting in January 1971 attended by representatives of the Bank of America, Anaconda, Kennecott, W. R. Grace Co., Phizer Chemical and Ralston Purina.—*Multinational Corporations and United States Foreign Policy*, op. cit., Part 1, p. 44.

² Ibid., Part 2, p. 1010.

³ Ibid., Part 1, p. 44.

⁴ Ibid., p. 41. By as early as mid-January 1971, ITT representatives had conducted a whole series of meetings in Washington with officials of the State Department, the Treasury, the Department of Commerce, the National Security Council, the Emergency Preparedness Board as well as some Congressmen.—Ibid., Part 2, p. 1052.

⁵ *The Wall Street Journal*, October 25, 1971, p. 4.

⁶ J. Petras and M. Morley, op. cit., p. 89.

parts and material shipped to Chile and, to judge by some accounts, told the executives that the U. S. Government proposed to invoke the Hickenlooper Amendment to suspend all aid to Chile unless the affected copper mining companies received adequate compensation. Meanwhile the Treasury sought, through the Internal Revenue service to cut taxes for copper companies by 175 million dollars in view of the losses they had sustained in Chile.¹

In September through October 1971, ITT worked out a detailed plan for the U. S. Government's anti-Chilean action. A special memorandum stressed the necessity of setting up a special operational group under the National Security Council and suggested action to obstruct the granting of loans to Chile by international banks, unofficially get the U. S. private banks to act in the same way, to urge representatives of the banking world of other countries to take a similar stance and suspend copper purchases in Chile for six months, consider CIA involvement in the "pressure campaign" and contact "reliable" military groups in Chile.²

As the ITT "White Paper" indicates, various possibilities of action by the State Department with a view to suspending loans to Chile were under debate as early as 1970. The State Department was to influence American and international financial circles in the United States so as to persuade them to refuse loans to Chile; suspend all programmes within the framework of the Agency for International Development which were in consideration at government level and impose an embargo on Chilean imports into the United States.³

Just as intended, the credit blockade and subversive action by multinational corporations very drastically affected Chile's balance of payments position and handicapped her industrial and commercial activities. From then on she had to make cash payments for machinery and equip-

¹ In accordance with an ITT memorandum, the Anaconda Company also got Senator Mansfield to assist it and persuade the Internal Revenue Service to take a decision favourable for the company by writing off the losses it had sustained in Chile as operating losses, rather than capital losses.

² *Multinational Corporations...*, op. cit., p. 940. Cited from: J. Petras and M. Morley, op. cit., p. 93.

³ *Ibid.*, p. 971. J. Petras and M. Morley, op. cit., pp. 90-91.

ment she was buying from her main supplier—the United States. All the Popular Unity Government could count on was mobilising the country's internal resources.

The situation, in the meantime, became increasingly grave. The United States had recalled its technical specialists and refused to furnish any more spare parts for machinery and equipment.

A boycott of Chilean copper on European markets was yet another instrument of economic warfare. The Chilean assets of the Kennecott Copper Corp. were nationalised on legal grounds under the Constitution, but the company continued to protest and even got some law courts in France, Holland and Sweden to impose an embargo on payments for imported Chilean copper. This caused the greatest economic damage and, coupled with a financial blockade, served to increase the buyers' mistrust in this staple item of Chilean exports. With the nationalisation of copper mines under way, Kennecott Copper notably reduced production. State revenues from big mines fell off from 374 million dollars in 1970 to 108 million dollars in 1971, and 68 million dollars in 1972. This, naturally, told on foreign exchange reserves which had practically run out by mid-1972.

One effect of U.S. pressure was to cause a far-reaching economic depression in Chile in the first half of 1973. The Nixon Administration seized on that to refuse further credits. Yet even the American bourgeois press had to admit that in the course of 1971 and 1972 (that is before the consequences of the credit blockade began to be felt), the Allende government's economic policy had differed favourably from the policy of the reformist government of Frei. A report of the Inter-American Committee on the Alliance for Progress found the main achievement of the Allende government to consist in ending economic stagnation and carrying through a "redistribution of income" obtained through economic growth.¹ The authors of the report wrote: "In 1972, the country's economy is in a situation of almost full utilisation of its productive capacity, following a year marked by high growth levels. Unemployment has been reduced markedly and a broad process

¹ OAS, *Inter-American Social and Economic Council, Inter-American Committee on the Alliance for Progress*, p. 12.

of redistribution of income and accelerated agrarian reform has been carried out."¹

The authors of the report detected some dangerous trends as well: "According to Secretariat Estimates, relief in the payment of service of the debt over the next few years will be necessary in order to maintain an adequate growth rate over that period. Furthermore, if the prospects for copper prices do not change, the estimated growth in the volume of exports will not be sufficient for generating resources for balancing the balance of payments current account."²

The U.S. Administration looked for ways to heighten this danger. The state of foreign exchange reserves was most drastically aggravated by the fact that the Allende government had to spend a third of its export earnings in 1970, 1971 and 1972 to repay old debts. Meanwhile the prices of imported goods were rising, domestic requirements increasing and world copper prices declining. The U.S. Administration—Chile's main creditor—refused to reconsider the terms of debt service payments.

The action of the U. S. Administration made it all too obvious that it was trying to stir up massive disturbances and provoke social clashes inside the country so as to make the "Chilean road" less attractive in the eyes of its neighbours on the continent. The U.S. ruling establishment realised that Chile was a touchstone in the struggle of Latin American countries for a revision of their political and economic relations with their northern neighbour.

Speaking before the UN General Assembly in December 1972, President Allende declared: "There is external pressure on Chile designed to cut us off from the rest of the world, strangle our economy, paralyse our trade and to deprive us of access to sources of international financing."³ He unequivocally charged the United States with secret indirect aggression.

That aggression showed itself, among other things, in the extension of U.S. connections with representatives of the

¹ Ibid., p. 148.

² Ibid., p. 139. Copper production and export in 1971 were greater than in any other year since 1961, and the value of exports was down by 16.2 per cent from 1970 because of a 20.6 per cent fall of copper prices.—Ibid., p. 10.

³ *The New York Times*, September 8, 1974, p. 26.

major departments of the Chilean Civil Service, with the military and police as well as with private organisations (proprietors' associations) and opposition parties. It was the CIA that conducted this part of subversive action, all being sanctioned by the U.S. executive.

Unity and concert of action between various agencies of the executive authority revealed the nature of the U.S. political system: facing a danger to their domination, liberals and conservatives, civil dignatories and the military, the State Department and the Pentagon joined forces within the 40 Committee to act against the Popular Unity Government. The differences of opinion between representatives of individual sectors of the American bureaucratic hierarchy concerned tactics, strategic objectives coinciding. "In the period before the coup," a U.S. Administration official said, "there was a pretty firm view on the part of the 40 Committee... that the Allende government was bound to come to destruction and had to be thoroughly discredited. The State Department supported this... It wanted to stretch out any clandestine activities to permit the regime to come to a political end. The argument was between those who wanted to use force and end it quickly rather than to play it out. Henry Kissinger was on the side of the former—he was for considerable obstruction."¹

The United States did not stop short of any spending. Over six million dollars were appropriated through the 40 Committee's channels alone for major subversive action projects against the Allende government. The allocation of 1,240,000 dollars was sanctioned, according to the Senate Select Committee report, by the 40 Committee on January 28, 1971. Two months later, on March 22, the 40 Committee authorised a further 185,000 dollars. Over half these funds, earmarked by the 40 Committee, went, as the Senate Committee report indicated, into financing opposition political parties and factions, principally the Christian Democratic and National parties. It is with CIA money that these parties bought their own radio stations and newspapers early in 1971. On May 10, the 40 Committee authorised a further 77,000 dollars for the Christian Democratic Party. Ten days later, on May 20, and then on May 26 the Christian Democrats received 100,000 dollars and 150,000 dollars

¹ *The New York Times*, September 8, 1974, p. 26.

additionally for "current expenses". All the opposition parties received money from the CIA during the municipal elections in April 1971 and the congressional by-elections in July of that year. The 40 Committee authorised 150,000 dollars on July 6 for the said purposes, according to the Senate Committee report.¹

The 40 Committee appropriated 815,000 dollars on November 5 for strengthening the position of the Christian Democratic, National and other opposition parties. The financing of opposition parties and groups continued throughout the rest of the Allende government's lifetime. On December 15, 1971, opposition candidates had 160,000 dollars set aside for them. A further 46,500 dollars reached opposition candidates through CIA channels on June 16, and 200,000 dollars more on February 12, 1972. On October 26, 1972, the 40 Committee sanctioned an appropriation of 1,427,666 dollars as aid to Chile's opposition political parties during the run-up to the congressional election in March 1973. Finally, on August 20, 1973, that is, within three weeks of the coup, the 40 Committee authorised a further one million dollars to finance opposition forces.²

These funds were designed both to support the opposition candidates in the election and to enable the opponents of the Popular Unity to carry on their anti-government work.

The CIA was busy rallying the anti-Allende forces all through the period the Popular Unity Government was in office. That was no easy task at all, as the Select Committee admitted in its report, considering that the opposition was mostly represented by the extremely conservative National Party. As to the reformist Christian Democratic Party, many of its members, in defiance of the leadership's will, supported the Allende government.

The CIA expended a lot of effort and resources to split the parties of the Popular Unity bloc and plant its own agents inside it. Some of the 815,000 dollars, passed to the opposition parties on November 5, 1971, were designed for this, as the Select Committee report revealed. On April 24, 1972, the 40 Committee set aside an extra 50,000 dollars to this end.³

¹ *Covert Action in Chile...*, pp. 206-207.

² *Covert Action in Chile...*, pp. 207-208.

³ *Covert Action in Chile...*, p. 207.

One factor which played an outstandingly important part in laying the ground for the coup of September 11, 1973, was the support the United States had given to "private" organisations—ranging from associations of employers, small tradesmen, owners of transport vehicles, up to semi-legal or illegal extreme right-wing terrorist organisations of the Patria y Libertad type.

The employment of these "private" organisations and groups in 1972 through 1973 was taken up now and then at the U. S. Embassy in Santiago and in the 40 Committee. In September 1972, the 40 Committee allotted 24,000 dollars for "emergency aid" to the organisation of Chilean employers. Organisations of big and small employers and an association of opposition groups received 100,000 dollars a month later. Altogether, the 40 Committee set aside 1.5 million dollars to back up opposition groups. As CIA collaborators had testified during secret Senate hearings, financial aid to "private" organisations was also designed to provide optimal conditions for registration and voting by the electors opposed to the Popular Unity bloc and obstruct Allende's supporters.

It was, perhaps, the extreme right-wing para-military organisation, Patria y Libertad, that was to play the key role. It had been set up with CIA money after the presidential election of September 4, 1970, within the Track II framework. Its basic mission was to heighten tensions and produce excuses for intervention by the military in Chile's political life.

Throughout Allende's presidency, Patria y Libertad and a similar faction, Rolando Matus Brigade, opposed all attempts of the Christian Democrats to reach a compromise arrangement with the government and prodded the military into an uprising.

Big CIA-sponsored and funded strikes of truck owners and tradespeople, which went on endlessly throughout 1972 and 1973, did much to destabilise the Chilean economy. A general truckers' strike was engineered in October 1972 (trucks are basic to Chile's transport services), which pursued purely political aims and served to bring about a situation of chaos, particularly after the strike had spread to other transport services. The movement of supplies was disrupted and workers prevented from getting to their places of work.

Yet another factor exploited in order to organise the strike was that truck owners had suffered most from a lack of spare parts and, besides, they faced the danger of competition from a state-run transport company which the government was planning to create.¹

The truckers' strike was a kind of fuse to trigger off the strikes of other groups of employers and tradesmen who were at pains to create a black market, while right-wing Congressmen killed a bill specifying responsibility for speculation.²

"The CIA," Pablo Neruda wrote to a friend in Europe about that time, "has inundated the country with dollars so as to back up the employers' strike, and this hard currency poured into the black market."³

The great poet's testimony was corroborated by Ray Cline, Director of the Center for Strategic International Studies at Georgetown University, upon his retirement from the post of the State Department's Intelligence Chief. He said that some of the money provided by the CIA in Chile "was intended for financial support of the small businessmen and the truckers".⁴

Let us note that it took the CIA quite a bit of time to admit in the Senate the very fact of its involvement in the putsch and confess having done all it could to "destabilise" the Popular Unity Government.

It has since become common knowledge that for eighteen months the CIA had secretly financed the top officialdom of the unions on strike.

Nearly half of the 8 million dollars, provided by the CIA for subversive action in Chile, was spent to fund the strikes. Those most lavishly subsidised comprised not only the ringleaders of the general truck owners' strike, but the organisers of the sabotage activities by taxi drivers, shopkeepers, etc.⁵

Following the March 1973 election, when the opposition forces failed, in spite of U.S. backing, to pool a two-thirds

¹ *Le Nouvel Observateur*, March 4, 1974, p. 92.

² It is worth noting that one of the first few edicts of the Junta was to ban the black market on pain of death. True, the present official prices are mostly those fixed by black-marketeers.

³ *Le Nouvel Observateur*, March 4, 1974, p. 92.

⁴ *The New York Times*, October 17, 1974, p. C 9.

⁵ *Ibid.*, September 21, 1974, p. C 12.

majority required as a vote of no confidence in Allende and compel a fresh election, the U. S. Administration decided to review its action in Chile. Early in 1973 it was still rather difficult to count on the success of a military coup, yet, as stated in the Senate Committee report, Washington believed a mounting wave of unrest and disturbances to be a feasible way to induce the military to bring down the government "to restore law and order".

Foreign-backed extreme right elements stepped up their activity. Subversion groups launched ever fiercer acts of terrorism against the leaders and supporters of Popular Unity, raided the premises of democratic organisations, blew up pipelines, power stations, bridges, high-voltage towers and other vital installations. Directed from one centre, these attacks of the forces of reaction had one aim: create a situation of economic chaos.

In addition to financing the opposition parties, groups and organisations, considerable sums were authorised by the 40 Committee in support for those sections of the mass media that opposed the Allende government and its social programme. *El Mercurio*, the major vehicle of anti-Allende propaganda, alone got one and a half million dollars from the CIA. In offering that amount of money to it, the 40 Committee pretended to act on the assumption that the Allende government was discriminating against that newspaper. In actual fact, however, the principle of the freedom of the press had been faithfully observed throughout his presidency, which the Senate Committee had to confirm in its report. The CIA propaganda campaign comprised all kinds of action: the publication of several magazines, the issue of a vast amount of books and pamphlets, fabrication of material for *El Mercurio* and other newspapers and radio stations, controlled by opposition parties, as well as for three television tracks. Yet, *El Mercurio* was still the principal vehicle of propaganda against the Allende government in 1971-1973.

The CIA's financial aid, in ever growing amounts, was furnished also to the research organisations in opposition to the government. Opposition parties and groups regularly received economic and technical material from them. Many bills brought up by opposition Congressmen, had, in actual fact, been drafted and edited by the staff of those research organisations.

It is indicative that the Senate Committee report made no more than a cursory mention of direct contact of the CIA and the U.S. Administration with representatives of the Chilean military engaged in preparing the coup. Yet it did state that as early as July 1969, the CIA Santiago Station received a Headquarters go-ahead for a secret programme to infiltrate CIA agents into the Armed Forces of Chile. The programme lasted for four years, and its principal objective was to get CIA agents into all three branches of the Chilean military, more particularly the command-level officers, general staff officers, retired officers and enlisted men.¹

Yet President Nixon's order of September 15, 1970, for a military coup to be organised caught the Santiago Station unprepared, if one is to believe the Select Committee report.² CIA agents among the Chilean military had not enough influence as yet to push them into staging a coup. Under instructions from Headquarters, the Santiago Station, as mentioned earlier on, assigned the chief mission of preparing the coup to the military attaché and, besides, employed its agents from among the citizens of third countries for this purpose. Contact was established with two main groups of military plotters; the CIA kept abreast of their criminal plans. It was through CIA channels that the plotters were supplied with money and weapons. In case of the coup succeeding, they were promised full backing by the U.S. Government.

With the murder of General Schneider, leading to the arrest of the main organisers of the projected military coup, the plotters' effort collapsed in disarray. It took the Station another ten months to rebuild its disorganised network in the Chilean Armed Forces alone. Besides, it had to expend a lot of time and effort to reinforce its links with the military.³ The latter were under constant pressure in the process. In the period leading up to Allende's inauguration, the United States, as we said earlier on, had threatened the representatives of the Chilean Armed Forces that if they did not bring themselves to "act" and a Popular Unity Government came to power, Chile would be deprived of military assistance. Conversely, in the event of a successful coup,

¹ *Covert Action in Chile...*, p. 183.

² *Ibid.*

³ *Ibid.*

that assistance would be increased. However, for reasons we had already referred to, military aid, far from being cut off during the years of Allende's presidency, had actually expanded, as had, for example, the volume of military sales (from 6.2 million dollars in 1972 to 14.9 million dollars in 1973).¹

Around September 1971, the CIA network in the Armed Forces of Chile had been rebuilt and the Santiago Station started to gather intelligence almost every day about the progress of preparations for the military coup. At the same time, and in parallel, as the Senate Committee report points out, the Station and Headquarters discussed a "deception operation" designed to provoke unrest among Chilean officers by spreading rumours about a "purported Cuban involvement in the Chilean army".² Plans for such an operation were under intense discussion in Washington and Santiago in the autumn of 1971, according to CIA documents. In September, the CIA Station communicated that it was ready to start preparing—or, to be precise,—fabricating, by its own resources, the documents to make it appear that the units of Carabineros, with President Allende's approval, and in conjunction with the Cuban intelligence service, were collecting discrediting information on the command-level officers of the Chilean Army. The action was designed to provoke the Chilean military into resentment of Allende's teaming up with the leaders of Cuba so as to bring certain pressure to bear on the Government of Chile to change tack and, perhaps, rouse the military into action against it, once that proved possible.

In December 1971, the Senate Committee report stated, a packet of CIA-fabricated "letters", alleged to have been mailed from abroad, was passed to a group of Chilean officers.³ At the same time, the CIA was carrying out a host of similar actions and financing the publication of "anti-government pamphlets" urging the Armed Forces to rebel. It organised the collection of operational intelligence everywhere that would be necessary by the time of the coup d'état. This intelligence was used for drawing up, well in

¹ Ibid., p. 184. 76.1 million dollars were authorised for military purchases in 1974, that is, after the coup.

² *Covert Action in Chile*..., p. 183.

³ Ibid., p. 185.

advance, the lists of those to be immediately arrested or, conversely, protected, those of key government and other civilian installations which were to be taken over at the very start of the coup.¹

To keep the situation under control, President Allende reorganised the cabinet on August 9, 1973, bringing in the commanders of the four services of the Armed Forces. General Carlos Prats, Commander-in-Chief of the Land Forces, was appointed Minister of National Defence, Naval Commander Admiral Raul Montero—minister of Finance, Air Force Commander General César Ruiz—Minister of Public Works and Transport, and the Director-General of Carabinero Corps General José Maria Sepúlveda—Minister of Lands and Settlement.

On August 17, the government's internal intelligence sources reported the intention of army plotters to use General Ruiz for their criminal designs. Two days later he was replaced as Minister of Public Works and Transport by General Humberto Magliochetti, and General Gustavo Leigh, Pinochet's secret accomplice, was appointed Air Force Commander, which meant tightening the plotters' control over the Air Force.

On August 21, the reactionaries organised an act of provocation against General Prats, Commander-in-Chief of the Land Forces, who, loyal to the Popular Unity Government, played his full part in introducing progressive reforms and, therefore, was much of an obstacle to the plotters. A few hundred women, including some generals' and officers' wives, staged what came to be known as a "pan march" in front of his residence, rudely insulting him and calling for him to quit the army. At the same time, most of the generals told Prats that for him to stay on as Commander-in-Chief of the Land Forces and Minister of Defence would cause a split in the ranks and lead to a civil war. On August 24, Prats resigned from all of his posts.² That

¹ Ibid.

² It is noteworthy that on August 27, 1973, that is, three days after the rebel generals forced him out of office and within a fortnight of the coup d'état, Prats noted down in his diary: "I am sure we underestimate the gravity of the danger of a U.S.-directed coup, although we are aware of the statement made in Chicago by Kissinger a couple of weeks after the election victory of the Popular Unity coalition." At that time the former Secretary of State declared

virtually cleared the way for the plotters.

The Unidas exercise was then advanced by a week, to September 11, 1973. It was to be used as the opening move of the projected military coup. True, the staging was three years late, but it was performed as planned: as a full-scale military operation, rather than a common garrison uprising. The main protagonists were the men who attended the earlier-mentioned dinner party given by the attaché of the Chilean military mission in the United States in a Washington suburb back in 1970. Admiral Troncoso was the one who issued the signal for the military uprising in the morning of September 11, having first carried out a purge of the Navy to eliminate democratically minded officers.¹ General Baeza led the attack against the presidential palace; he ordered it to be set on fire. After the coup Pinochet awarded him the post of Director General of the Investigation Service which combined civilian and military police. General Gutiérrez was the closest associate of General Leigh, the Air Force Commander, who ordered the presidential palace to be strafed with rockets and reduced to rubble. After the coup Gutiérrez was appointed Minister of Public Works.

It became known later on that U. S. Air Force pilots were directly involved in the putsch. In a reconnaissance plane, carrying up-to-date electronic equipment, they directed the action of Chilean aircraft in attacking the presidential palace La Moneda and his residence. The bombing of La Moneda, carried out with accuracy that amazed even specialists, was the job of a group of aerobatic delivery aces. They had arrived in Chile from the United States ostensibly for participating in the above-mentioned Unidas exercise and

that the U.S.A. would not tolerate an eventual "Communist government" in Chile.—See *The Washington Post*, December 20, 1976.

After the coup, General Prats left the country for Argentina. A staunch opponent of a military dictatorship, Prats, whose name remained a symbol of loyalty to army traditions and a source of hope for the servicemen and the entire people of Chile, was a serious danger to Pinochet and his lieutenants. Prats could have been called back by the nation, and would certainly have found support—in spite of political differences, and would have preserved the unity of the Armed Forces. Fearing that most of all, the Junta did not stop short of the physical removal of Prats. He was killed in Buenos Aires on September 30, 1974, by Pinochet's agents who had planted a bomb in his car. His wife died with him.

¹ Sergio Villegas, *Chile—el estadio*, Buenos Aires, 1974.

were to have performed in an air show on September 18, National Independence Day.¹

Isolated groups of armed intelligence agents from neighbouring countries, who had crossed into Chile from the Bolivian border, had been in hiding until the putsch began, and then, acting under CIA instructions, launched a mad hunt for the 7,000 political immigrants—democrats from Bolivia, Brazil and other Latin American countries. One thing the actions of these illegal forces hostile to Chile had in common was unheard-of cruelty and the utmost scorn for human lives.

A particular service to Chile's reactionaries and to the military plotters was done by the Intelligence Agency of Brazil.² It had a hand in organising a bloody coup in Bolivia in August 1971 which robbed the Chilean Government of that country's support and made it easier for the plotters to smuggle all types of equipment for subversive activities into Chile across the Bolivian border. Some of the credits granted to Brazil by the United States were secretly transferred to Bolivia to finance acts of subversion in Chile.

In 1972, American General William Westmoreland made a secret trip to La Paz, Bolivia's capital. Although its purpose was never disclosed, the fact that it was followed soon afterwards by a thick flood of troops and military equipment streaming toward the Chilean border could not be dismissed as a chance coincidence. That emboldened the Chilean military and encouraged them to strengthen their position inside the country and purge the Armed Forces while getting reactionary officers promoted to high commanding positions from where to assist in the coup d'état.

And so, on September 11, 1973, the Chilean military inspired by imperialists from abroad, having violated the Constitution and betrayed their professional oath, perpetrated a crime—killed the country's legitimate President Salvador Allende, overthrew the Popular Unity Government and, having seized power, established a fascist-type regime. The force that placed itself at the head of the state and the government was the so-called Junta, a bunch of men from the three services of the Armed Forces and the Carabineros. The Junta's chairman, General A. Pinochet Ugarte was

¹ *Le Nouvel Observateur*, March 4, 1974, p. 102.

² *Newsweek*, September 30, 1974, pp. 17-18.

declared President of the Republic, by the Junta's own edict. He has the executive power, and the Junta—legislative authority. The government posts were filled by the military. National Congress and the Chamber of Deputies were dissolved. So, the military coup of September 11, 1973, which saw the interests of the Chilean bourgeoisie merge with those of major U.S. monopolies, not only destroyed the constitutional Popular Unity Government, but put an end to the Constitution itself, as well as to the entire set of political institutions of bourgeois democracy in Chile. "What arose upon its ruins," said a prominent Chilean journalist José Miguel Varas, "is a neo-fascist regime having its own particular features, and, at the same time, an ominous resemblance to its European models."¹

¹ José Miguel Varas, Foreword to the Russian edition of Sergio Villegas, *op. cit.*

Chapter VII EVOLUTION OF CONFESSIONS

How, then has the CIA's "unfettered intervention... designed to destabilise a government that had been freely elected"¹ become an open secret?

The confidential ITT documents, related earlier on, were the first source of information, reaching the American public in 1972, about the extent of CIA involvement in the 1970 Chilean presidential election.

More evidence of the CIA's part in plotting against the Popular Unity Government in Chile was furnished late in August 1973, by V. Marchetti and Y. Marks in their manuscript book *The CIA and the Cult of Intelligence*. They had put in quite a few years working for U.S. intelligence agencies: the former started by specialising in intelligence analysis, and subsequently was Deputy Chief of Planning, Programming and Budgeting in the Office of the Director of the CIA, and, shortly before retirement, executive assistant to the CIA Deputy Director; and the latter had been permanent assistant director of the State Department's Bureau of Intelligence and Research, the office that allowed him to read top-secret documents and attend many top-level meetings to examine the various aspects of the secret foreign policy of the United States.

The Federal Court called on the authors to submit the manuscript to the CIA for a review, and the CIA, as stated

¹ *The Washington Post*, September 20, 1974, p. A 21.

in the Publisher's Note for the London edition, "ordered the deletion of 339 passages of varying length". Later, following the commencement of litigation by the publisher and the authors against the CIA, all but 168 of these deletions were reinstated and put in italics; another 140 deletions were reinstated by the court. But the CIA challenged the ruling and the deleted passages were replaced by dots and parenthetical notes "Deleted".

Here is a case in point: the Second Chapter entitled "The Clandestine Theory" opens with a parenthesis in place of a quarter of a page deleted by the censorship. Next follows: "Henry Kissinger made that statement not in public, but at a secret White House meeting on June 27, 1970. The country he was referring to was *Chile*".¹ So, the name of the country Henry Kissinger had spoken about at the secret White House meeting was reinstated and put in italics, but what he had said was suppressed even despite the Federal Court ruling, although it is not difficult to guess what he meant, judging both by the subsequent text and by the widely known later events and various publications.

Henry Kissinger, who was at the time Assistant to the President for National Security Affairs, chaired a 40 Committee meeting. The Committee, when it took up the Chilean problem, included Attorney General John Mitchell, as mentioned earlier on, in addition to the permanent members we had named in the opening chapters. "It is this small group of bureaucrats and politicians—in close consultation with the President and the Governmental departments the men represent—that directs America's secret foreign policy."²

"On that Saturday in June 1970," the authors go on to explain, "the main topic before the 40 Committee was: (Deleted*). *The Chilean election was scheduled for the following September, and Allende, a declared Marxist, was one of the principal candidates. Although Allende had pledged to maintain the democratic system if he was elected, the U.S. ambassador to Chile* (Deleted**).

Let us see some more passages from the book, so peculiarly

¹ V. Marchetti, J. Marks, op. cit., p. 14.

² Ibid.

* Two and a half lines.—Auth.

** Six lines.—Auth.

composed and commented, betraying a combination of "constitutional decorum" and uncontrolled CIA power. "Most of the American companies with large investments in Chile were also fearful of a possible Allende triumph, and at least two of those companies, the International Telephone and Telegraph Corporation (ITT) and Anaconda Copper, were spending substantial sums of money to prevent his election." Even the CIA did not object to this text. But the following paragraph was chopped down to a few half-phrases and the publisher's note: "*Ambassador Korry's superiors at the State Department in Washington* (Deleted***).¹

It might, perhaps, be just to the point to note that Richard Helms, during the Senate hearings previous to his transfer from his job as CIA Director to diplomatic service in Iran, categorically denied any involvement whatsoever in planning the anti-government coup in Chile.

However, apart from Helms' own later conflicting admissions, which we shall yet refer to, here is one by the authors of the said book cleared for publication, as we know today, by the CIA and the Federal Court: "Helms' position at the 40 Committee meeting was influenced by memoirs of the Chilean presidential election of 1964. At that time he had been chief of the Clandestine Services² and had been actively involved in planning the CIA's secret efforts to defeat Allende, who was then running against Eduardo Frei. Frei had won the Presidency, but now, six years later, he was constitutionally forbidden to succeed himself, and Allende's candidacy therefore seemed stronger than before."³

After 1964, the anti-American feeling in Chile, the authors go on to say, rose to a higher pitch, that being due, among other things, to the U.S. involvement in the presidential election. What damaged the U.S. Administration's reputation still further was the disclosure of the illconceived Project Camelot in 1965.

So, trying to deny involvement was a waste of time.

¹ Ibid., pp. 14-15.

² The official name for this part of the CIA is the Directorate of Operations, but some members of Congress and journalists call it the Department of Dirty Tricks".

³ V. Marchetti, J. Marks, op. cit. pp. 15-16

*** A quarter of a page.—Auth.

Every phrase, every page of this large book, every deleted or reinstated passage, the dots and parenthetical notes speak for themselves. It was permitted to acknowledge that "in 1968 the CIA's own Board of National Estimates, after carefully studying the socio-political problems of Latin America, had produced a National Intelligence Estimate on that region for the U.S. Government's planners and policy-makers. It was also permitted, though after a dispute, to reinstate the passage stating that *"the central conclusion had been that forces for change in the developing Latin American nations were so powerful as to be beyond outside manipulation"*.¹ This estimate, V. Marchetti and J. Marks further state, was accepted by the United States Intelligence Board, comprising chiefs of various intelligence agencies, and it was subsequently communicated to the White House and all the departments represented in the 40 Committee. *"The 1968 estimate had in fact urged against the kind of intervention that the 40 Committee was in 1970 considering with regard to Chile"*.² But, as it often happens, the authors pointed out, the most carefully elaborated forecast, based on all available intelligence, is either ignored or otherwise dismissed when it comes to decision-making on any particular issue.

Stop! No more about it here (about five lines deleted). And then again: *"Henry Kissinger, the single most powerful man at the 40 Committee meeting on Chile, ... (Deleted.*)"*

*"During the next two months, before Allende was officially endorsed as President by the Chilean Congress... (Deleted.**)"*³

But Nixon, since he had already left the political stage, could be quoted as having said things like this: "Some months afterward President Nixon disingenuously explained at a White House press conference: 'As far as what happened in Chile is concerned, we can only say that for the United States to have intervened in a free election and to have turned it around, I think, would have had repercussions all around Latin America that would have been far worse than what happened in Chile'".⁴

¹ Ibid., p. 16.

² Ibid., p. 17.

³ Ibid., p. 18.

⁴ Ibid.

* Two-thirds of a page.—Auth.

** Seven lines.—Auth.

CIA Director William Colby allowed in 1973 a dig at his predecessor Helms, too: "The following year, in the fall of 1972, CIA Director Helms, while giving a rare public lecture at John Hopkins University, was asked by a student if the CIA had mucked about in the 1970 Chilean election. His response: "Why should you care? Your side won." Helms was understandably perturbed."

As the reader must have seen, whatever has leaked into the press was allowed to be published. We shall omit the text concerning the earlier-mentioned facts of the coup, the murder of Salvador Allende, the fascist Junta, the role of American big business and the CIA in those events, which was "not known to the public", and the authors' presumption that this role might "never become known". William Colby, while reviewing the book, did not, evidently, object to a mention of his secret testimony before the House Foreign Affairs Committee where he admitted that the CIA "had some intelligence coverage about the various moves being made" and that it had secretly furnished "some assistance" to certain Chilean groups.¹ What was the use of objecting if the book has a reference to a relevant report by American observer Tad Szulc in *The Washington Post* of October 21, 1973. Nor was there any point in deleting a single line in what, in fact, was also a publicly known service record of Colby who must have prided himself on having been the director of the bloody Phoenix counter-insurgency programme in Vietnam. A man of such a record deemed himself entitled to tell the Congressmen that "the executions carried out by the Junta after the coup had done 'some good' because they reduced the chances that civil war would break out in Chile."²

One more reason why all these quotations from a book by knowledgeable officials of the CIA leadership are of interest to us is because they confirm, with a varying degree of ingenuity, two important things: first, the scheme, scale and machinery of the opposition of monopoly capital to all liberation movement on the Latin American continent and in any other part of the world for that matter, and, second, the established system of belated confessions and disclosures concerning, for the most part, earlier practices or persons

¹ Ibid., p. 19.

² Ibid.

who have left the political stage. Yet the dots and parenthetical notes appeared without fail whenever there was any reference, say, to Kissinger who was still holding a top government post.

Disclosures of this kind, designed, as we said, "to let off the steam" and reflecting the various processes of political infighting, arise in overlapping waves to complete the picture of what the authors of the book *The CIA and the Cult of Intelligence* have pessimistically declared to be an "eternal mystery".

Following V. Marchetti and J. Marks, more disclosures of the CIA involvement in the Chilean coup were made by a member of the House of Representatives of U.S. Congress, Michael Harrington, Massachusetts.

Copies of his confidential seven-page letter, dated July 18, 1974, and addressed to Representative Thomas E. Morgan (Dem. Pennsylvania), Chairman of the House of Foreign Affairs Committee, reached the editorial offices of *The Washington Post* and *The New York Times* from unnamed sources early in September that year.¹ In his letter to Morgan, M. Harrington said that he had turned to the Foreign Affairs Committee Chairman "as a last resort, having despaired of the likelihood of anything productive occurring as a result of the avenues I have already pursued".²

M. Harrington, who sent similar letters to some other Congressmen, had indignantly referred to the CIA's subversive activity in Chile and eleven million dollars spent on it, and urged Thomas Morgan to undertake a full-scale public congressional inquiry into the U.S. Government's involvement in the Chilean events. He stressed the point that he had learned the details from the transcript of the testimony of CIA Director William Colby during the secret hearings in the House Armed Services Subcommittee on Intelligence. With special permission from the Chairman of the House Armed Services Committee, Edward Hebert (Dem. Louisi-

¹ *The New York Times*, September 8, 1974, p. 26. In a telephone interview from Salem, Mass., on September 7, 1974, Harrington confirmed that he was, indeed, the writer of the letter to Thomas Morgan, but declined to give any particulars about the substance of the letter or make a copy available to the press.—*The Washington Post*, September 8, 1974, A1, A20.

² *The New York Times*, September 8, 1974, p. 26.

ana) and Chairman of the House Armed Services Subcommittee on Intelligence, Lucien Nedzi (Dem. Michigan), M. Harrington was allowed to read twice the text of that 48-page transcript, dated April 22, 1974, but emphatically forbidden to take any notes.¹

In his letter to Thomas E. Morgan, Harrington said: "The information contained in the Colby testimony convinced me that it is of crucial importance for Congress and the American people to learn the full truth of American activities in Chile. I wish to share this information with you, in the hope that you will feel the same sense of conviction that I experienced upon learning the full details of significant U.S. activities in the affairs of another country without any prior consultation of even the Committee charged with overseeing such operations."²

Michael Harrington went on to give a schematic list of undercover operations against the Allende government which came to be known from Colby's testimony before the Subcommittee headed by Lucien Nedzi.

The letter said, in particular, that Colby had informed the Subcommittee that 8 million dollars had been taken out of the CIA funds during the period from 1970 to 1973 for subversive activities in Chile to prevent President Allende from governing the country. Besides, 3 million dollars were spent in 1964 to finance the election campaign of the U.S.-supported Eduardo Frei who was running against Salvador Allende. "Funding was provided to individuals, political parties, and media outlets in Chile, through channels in other countries in both Latin America and Europe," Harrington wrote. "Mr. Colby's description of these operations was direct, though not to the point of identifying actual contacts and conduits."³

As one could see from Harrington's letter, that funding was authorised by the 40 Committee. The Committee met, with Kissinger in the chair, on June 27, 1970, to consider covert political action projects against Allende. Kissinger acted at the time as partisan of a limited and carefully disguised intervention programme. The State Department, according to those who had access to inter-departmental

¹ Ibid.

² *The Washington Post*, September 8, 1974, pp. A 1, A 20.

³ *The New York Times*, September 8, 1974, p. 26.

documents pertaining to that session, had been opposed to CIA involvement to prevent Allende's endorsement by the Chilean Congress, but gave up its opposition after President Nixon had approved a limited involvement programme with the 40 Committee authorising some 350,000-400,000 dollars to fund it.¹ The allocations expanded considerably after Allende took office. Colby, as Harrington claimed, had explained that a further 5 million dollars was authorised by the 40 Committee "for more 'destabilisation' efforts in 1971, 1972 and 1973".² Since the support for the Popular Unity coalition built up during the congressional elections in 1973, the CIA transferred 1.5 million dollars more to Chile in support of Allende's political opponents. "Some of these funds were used to support an unnamed but influential anti-Allende newspaper,"³ Harrington wrote in his account of Colby's testimony.

M. Harrington quoted Colby as testifying that the 40 Committee had authorised an expenditure of 1 million dollars for "further political destabilisation activities"⁴ against the Allende government in August 1973, that is, one month before the coup. It will be recalled that those were the times when forces were active inside the country to overthrow the Popular Unity Government by means of strikes and acts of provocation which seriously disturbed the normal flow of life in Chile.

CIA activities in Chile, Harrington wrote, "were viewed as a prototype, or laboratory experiment, to test the techniques of heavy financial investment in efforts to discredit and bring down a government" that did not suit the United States.⁵

It became clear from the testimony related by Harrington that high-ranking State Department and White House

¹ *The Washington Post*, September 10, 1974, p. A 12.

² *The New York Times*, September 8, 1974, p. 26.

³ *The Washington Post*, September 8, 1974, p. A 20. The U.S. press reported this to have been *El Mercurio*, the largest daily in Chile, the property of a wealthy businessman Augustin Edwards, and subsidised by the CIA since the late 50s.—*International Herald Tribune*, September 13, 1974, p. 4.

⁴ *The New York Times*, September 8, 1974, p. 26.

⁵ *The Washington Post*, September 8, 1974, p. A 20.

Incidentally, this claim is contrary to widely known facts: the CIA indulged in similar activities in other countries, too, and, what is more, long before the Popular Unity Government came to power.

officials had often deliberately misled Congress and the public as to the extent and scale of U.S. involvement in Chile's internal affairs during the three years of Salvador Allende's government.¹

The facts of U.S. direct involvement in undermining the legitimate government in Chile politically and economically, which have been disclosed by Harrington, and the just as obvious action of the U.S. executive in withholding them from Congress touched off a heated debate. Senators began to talk about the overthrow of the Allende government as of an act of secret war against a theoretically friendly government, and what is more, which had been secretly sanctioned by an executive agency—the National Security Council. That was an outright breach of the constitutional right of Congress to declare war. It would have been a different matter, Senators said, if Congress had decided to declare war on a foreign nation, then the executive authorities would have had to act in this way. But the coup in Chile was a result of a secret and undeclared war, waged by a government agency constitutionally forbidden to do so.

Nevertheless, the Nixon Administration, in spite of recurrent interpellations from Senators, went on denying everything, thereby showing contempt of Congress. "Everyone from top to bottom in the Administration had been insisting we had nothing to do with it," Harrington wrote, "and there it was, 40 pages in black and white ... telling in clinical detail how we were engaged up to our eyebrows."²

The Senate had to get down to a study of testimony made under oath by State Department officials during the Chilean events. It discovered more perjury than it would have thought sufficient to prove the case. The White House announced it had ordered an all-round investigation in view of a number of government officials having been charged with perjury before the Senate Foreign Relations Committee.³

Richard Helms, William Colby's predecessor as CIA Director, was recalled from Iran where he was in charge of the U.S. Embassy, to be heard in closed session early in

¹ *The New York Times*, September 8, 1974, p. 26.

² *Newsweek*, September, 23, 1974, p. 12.

³ *The New York Times*, September 19, 1974, p. C 13.

1975. He told the Senate Committee that "there was no doubt in 1970 that the Nixon Administration wanted to have President Salvador Allende Gossens of Chile overthrown... The overthrow of Dr. Allende, a Marxist, became a thing that they were interested in having done."¹ The former CIA Director's categoric evidence regarding the intentions of the U.S. Administration contradicted not only his own testimony given under oath in 1973, but the public statements of many former officials of the State Department and other government offices who had maintained that the United States had all but scrupulously adhered to a policy of "neutrality" on the Chile matter.

Both in Congress and among the public there were expressions of concern over the fact that having no reliable information at their disposal about "undercover intelligence operations", the legislators were unable to judge the true character of current international events. The point was made that the legislators had no idea of how much these events shaped up under the impact of secret operations. There was a direct reference to the case of Chile, when members of Congress had been informed of the results of the presidential election which had been influenced by undercover U.S. intervention.

So, American reality once more bore out the justice of Lenin's definition of the specific features of capitalist society. Lenin pointed out that in capitalist society "the most important questions—war, peace, diplomatic questions—are decided by a small handful of capitalists, who deceive not only the masses, but very often parliament itself".²

The CIA's growing role in national administration was seen by U.S. Congress, particularly in the light of the Chilean events, as an element of the overall process of consolidation of executive authority at the expense of legislative authority and restricting the latter's powers in formulating and implementing the nation's foreign policy. The CIA, wielding stupendous influence as it did, turned, in the executive's hands, into an instrument of strengthening its position in its confrontation with Congress, that is, one of political infighting.

¹ *The New York Times*, February 10, 1975, p. C 1.

² V. I. Lenin, *Collected Works*, Vol. 30, p. 488.

There was mounting pressure for a full-scale inquiry into all of the CIA's clandestine operations by Congress itself. Senators insisted on tighter control of the Agency's activities and on its functions being limited to gathering intelligence on foreign nations. Demands of this kind grew more imperative after a public confession by the then CIA Director William Colby that undercover operations figured importantly in the array of the government's military and economic measures.¹ The Senate Foreign Relations Committee unanimously went on record for an investigation of the activities of federal agencies engaged in intelligence gathering both at home and abroad.

To block the Committee's effort and stop the results of the investigation from reaching the public, the White House held a secret meeting to discuss the twin subject of Chile and covert CIA action. One thing deplored at the meeting was that CIA Director Colby's testimony before the House Subcommittee, where he for the first time gave a detailed account of appropriations for subversive activities against the Allende government, had leaked into the press. Incidentally, referring to this particular instance, the opponents of stringent legislative control over intelligence activities, argued that it could mean a leak of important information and in that way damage the national security interests of the United States.² What they feared most, though, was that congressional control over secret operations might curb CIA activities.³

A Senate Select Committee under Senator Frank Church was set up to study the operation of federal agencies engaged in intelligence activities both at home and abroad. According to *The New York Times Magazine*, the Church Committee was virtually idle for several months. The Senators wasted their time in an endless debate on the procedure for the Committee to adopt. Intelligence services raised all kinds of obstacles to obstruct the Committee members and

¹ *The Washington Post*, September 18, 1974.

² *The Washington Post*, September 20, 1974, p. A 21.

³ This was the view of Colby, for instance. Taking issue with those who insisted on congressional committees being provided with a closer insight into CIA activities, Colby complained that the "leak" about undercover operations in Chile "raises the dilemma of how we're going to supply the Congress with such delicate information without its disclosure."—*The New York Times*, September 14, 1974, p. 2.

sidetrack their attention. But unexpectedly the Committee had a "stroke of luck."

A government committee under Vice-President Nelson Rockefeller, which was formed at the same time and for the same reason, announced that it had procured some evidence to prove the CIA's implication in "alleged assassination plots involving foreign leaders". Rockefeller said his Committee, which was through with its job by then, had neither the time, nor the powers to look into the matter. The Church Committee, to which those murder cases had been referred, had concentrated on this particular issue for five months, having suspended all other investigation. The Committee published its Interim Report in November 1975.¹ And although the Senate Committee made a point of presenting its report as one based on an objective inquiry, it was later found to have left out quite a few rather substantial things! Even the bourgeois U.S. press had to admit that the Church Committee had failed to name the particular quarters that had issued the orders and injunctions about plots to assassinate foreign leaders, that is, identify the principal masterminds and organisers of those assassination attempts. Moreover, even in respect of cases when the plots had succeeded the Committee appeared to have but scant evidence of CIA involvement.

The Senate Committee's second report on *Covert Action in Chile, 1963-1973* appeared at the close of 1975. It came to light later on that the CIA leadership had consented to provide the Committee with material concerning six typical undercover operations on the understanding that only one would be made public. The members of the Committee pledged their word never to reveal even the names of the other countries which were the targets of these operations. Since a good deal of information about U.S. interference in Chile's internal affairs had come to light anyway, it was decided there was no point in keeping silent about it. This

¹ The report comprises over 8,000 pages of testimony under oath by about 80 witnesses during 60 days of hearings, and also the minutes of a large number of inquiries made by the staff of the Committee. The documents that reached the Committee included some unstudied record files of the White House, departments and offices, as well as some material from collections of presidential official papers compiled in the days of Eisenhower, Kennedy and Johnson.

report, according to the U.S. press, is the fullest and most competent exposure of secret CIA activities in Chile, although it still avoids a straight answer about the CIA's direct involvement in the conspiracy against Salvador Allende, which seems to be as clear as day to everybody now.

The concluding report of the Church Committee was published late in April 1976. Outwardly, as the U.S. press presented it, it looked more "respectable" than the previous two, though it did reveal the Committee's inconsistent, half-and-half approach. Pointing this out, *The New York Times Magazine*, for instance, drew attention to a whole series of questions which the Committee had either refused to investigate altogether, or just had "not insisted" on having investigated.

A House Committee was set up at the same time, February 1975, and for the same purpose, parallel with the Senate Committee. It was headed by Lucien Nedzi¹ until mid-June that year, when he was succeeded by Frederick B. Pike. What kept this Committee from getting down to business, at least until the summer of 1975, was controversy on procedural matters, to accept the U.S. press argument. Exploiting the divergence of opinion on ways to get round the procedural problems, certain Congressmen argued that there was no point in a House Committee undertaking this investigation at all since the Senate was at it. But even after all obstacles in procedural matters seemed to have been eliminated, the Pike Committee had a high hurdle to clear to get indispensable information from federal agencies for it to start normal work. It was persistently told to exercise maximum caution in everything. In the end Pike sent a letter to *The New York Times*, but the editor refused to publish it.² In the opinion of a special CIA legal adviser, who was in contact with both congressional committees, their work was heavily dependent on considerations of

¹ Earlier on, Lucien Nedzi was the Chairman of the House Armed Services Subcommittee on Intelligence Activities. The Subcommittee betrayed total inability to suggest a way of supervising intelligence activities and to subdue unwelcome repercussions, it was decided that the chairman had to go. Nedzi was accused of being "soft" on the CIA and forced to step down.

² Subsequently Pike had his letter published in the *U.S. Congressional Record*.

rivalry. This was also the view of a number of news analysts who maintained that the Ford Administration set the committees against one another.

When Pike, for example, demanded information and denounced the "delaying tactics", an Administration spokesman would, as a rule, refer to the "exemplary behaviour" of the Church Committee and call for a "greater spirit of co-operation".

The Pike Committee rounded off its job by submitting the final report by early 1976. The House of Representatives passed a resolution by a majority vote to keep it secret. Yet a copy had somehow reached the editors of the New York *Village Voice* newspaper which published it just a few days later. However, the Pike Committee's report attracted far less notice, in contrast to those of the Rockefeller and Church committees, as the U.S. press estimated.

There is continuing controversy in the U.S. media on what America "gained and lost" through the publication of the findings of the governmental and congressional committees of inquiry into intelligence activities. This makes an all-round and impartial analysis of the final documents and their implications all the more important.

The successive publications of the findings of the Senate Committee to Study Governmental Operations with Respect to Intelligence Activities—the Interim Report and the Final Report—must have been expected to appear like something of a "sensation of the century", to use an American journalese. Yet the reaction to them outside the United States was reserved. Perhaps, because they had been couched in terms of "disclosures" so familiar to the world community as to suggest they crop up in the United States at amazingly regular intervals either in the heat of political infighting or in advance of an election campaign.

It was, quite recently, that the so-called Watergate Affair, qualified, not without good reason, as one of the most disgraceful scandals in American political history, was presented as the "sensation of the century". In the context of a renewed inter-party electioneering tussle, the former sensation was to be eclipsed by the later one, no longer purely domestic, but having international ramifications arising from the U.S. conduct of foreign affairs over a period to two decades. Which of the contending forces was it aimed against? A close scrutiny of both reports

compels the conviction that the object behind the latest sensation was not to censure either of the two major bourgeois parties taking turns in office, but whitewash the very form of government and restore—in the public eye, both at home and abroad—the nation's image so heavily damaged by a perennial practice of aggression and intervention in the internal affairs of other states.

Right after the end of the Second World War, the U.S. ruling quarters, seeking a way to meet the changing circumstances, launched this policy of intervention in foreign affairs behind the signboard of economic aid to the war-wasted and ruined countries. Gainfully investing in various countries of the world and, indeed, penetrating not only their economies but their political life as well, the United States arrogated to itself, as years rolled by, the functions of international arbiter, benefactor of the developing countries, defender and guardian angel of Western democracies and, in point of fact, has come to act as a zealous custodian of the capitalist system protecting it against all social upheavals. This policy has eventually discredited itself so much as to earn a worldwide reputation as dirty and bloody.

"Our policy is muddled up, it's deadlocked,"—this has been the key note of many foreign affairs debates in Congress and commentaries in the U.S. press over the past few years. Hence the imperative need for breathtaking propaganda moves which, incidentally, were treated as a U.S. foreign policy instrument, alongside subversion and economic warfare, by a long-standing directive of the National Security Council, NSC 5412/2.¹

An analysis of foreign press comments which have appeared since the destruction of the Allende government, including the revelations of some major U.S. periodicals, shows that the propaganda weapon is employed in full accord with the secret operations themselves, particularly after such operations have been carried out. It is used whenever there is a need to hush up the truth, allay public fears, divert attention from further "cloak-and-dagger"

¹ "It [National Security Council—F. S.] also directed the CIA to undertake covert operations... and defined covert operations as any covert activities related to propaganda, economic warfare, political action (including sabotage, demolition and assistance to resistance movements) and all activities compatible with the directive."—*An Interim Report...*, p. 9.

operations, create a semblance of regret or censure of certain dismissed officials and all in question the "realised implication" of the nation's top government officials in clandestine operations.

The Senate Committee reports were sort of acme of such publications which, put together, turn out to have been a carefully conceived large-scale propaganda move, kept "in check" and made in the usual style of misreporting—by repeating some favourite clichés like "journalist's stroke of luck", "leak of information" or "document found" by an unnamed or, conversely, specified person.

This is the scheme of an "evolution of confessions", worked out by American propaganda practice, evolution from a flat denial of an obvious fact all the way to a step-by-step disclosure—unquestionably all planned well in advance—of what had been found politically advantageous to make public.

It is worth recalling the way this scheme worked in respect of the U.S. Government's recognition of its hostility towards the left movement in Chile. It was first publicly admitted after the abortive anti-Cuban raid (in the Bay of Pigs) and the early advance of the movement in Chile for a man of the left, Salvador Allende, to be elected President. The Johnson Administration feared lest Chile should follow the example of Cuba which had brought the Western Hemisphere into the "age when it has become possible to shake off Yankee hegemony, discard the old social structure and clear the way for a new one".¹ As the position of the Chilean left movement grew and gained in strength, those fears increased and U.S. monopolies switched into high gear to counter it. The U.S. press, as we stated earlier on, splashed appeals that looked rather like warnings and even threats: Chile must have its "Brazilian experiment".

Warnings and threats addressed to Chile were not only propaganda tricks, they were a prelude to the tragedy which stunned millions of people, the ominous prelude to outright plotting which was not officially acknowledged in the press until early in 1975.

Foreign Affairs, an influential magazine close to the U.S. top echelon, carried an article "The United States and

¹ Ch. Rudel, *L'Amérique Latine Entre Hier et Demain*, Paris, 1965, p. 19.

Chile: Roots and Branches", in February 1975. It admitted what had been emphatically denied shortly before. "... The attention to and intervention in Chilean politics—and the hostility to Allende—were not recent arrivals on the policy scene in 1970," the magazine wrote. "For a dozen years Chile had been considered a key country in Latin America, and Allende and the forces supporting him had been considered the chief threats to American interests."¹ The reader had been prepared for that kind of revelation in a semi-official State Department organ not only by the accomplished fact, but by private publications of the preceding twelve years.

Directly and indirectly, the magazine stated, perhaps a billion dollars "in public funds" had been committed by the United States during those twelve years to the "battle to preserve democracy in Chile", or, it added, to the "battle to prevent the left from coming to power". All of this, however, "the investment of money, time, and prestige, was seen as in danger of going down the (Communist) drain".

So straightforward an explanation of all arguments produced in a bid to justify the bloody events of 1973 was followed by what the magazine coquettishly described as "aperyphal or not, Kissinger's oft-quoted remark, 'I don't see why we need to stand by and watch a country go communist due to the irresponsibility of its own people!'"²

The semi-official mouthpiece of the diplomatic service did not specify where and when those words had been spoken. But in his own comment on that quotation, a knowledgeable author went on to say, without any more coquetry or doubt: "Kissinger's remark perfectly catches the spirit of this tutelary relationship and the thinking that both sustained and emanated from it".³

It turns out that the same remark was quoted, as authentic, back in September 1974, by a *Newsweek* correspondent Bruce Van Voorst. He said he had heard it from a 40 Committee member who attended the meeting where Kissinger made that arrogant statement insulting to the people of a sovereign nation.⁴

¹ *Foreign Affairs*, Vol. 53, No. 2, January 1975, p. 304.

² *Ibid.*

³ *Ibid.*

⁴ *Newsweek*, September 23, 1974, p. 12.

So, that was how, by an "evolution of confessions", the reading public had for years been conditioned to digest, without much ado, the "final document" which is known to have taken months to work out. The public knew already that the Junta had been groomed and armed by the U.S. Government's "two right hands"—the Pentagon and the CIA, co-ordinated by the 40 Committee Chairman—the Secretary of State who treated the Chilean patriots' determination to have their country settle its own problems of national development and international relations unobstructed as "the irresponsibility of its own people". Besides, he fought shy of mentioning that what exercised the minds of imperialists most of all was a possible loss of "the investment and prestige of the United States". While confirming these well-known facts, now "at top level", an attempt was made to drown them in "weightier" confessions and arguments which were, in fact, nothing short of sophistry.

"Weightier" confessions apply to earlier deeds: the start of preparations for an assassination attempt of Fidel Castro, the murder of Patrice Lumumba, the riddance of the United States' own placemen, Trujillo and Diem who had annoyed it.

Now, sophistry that is prevalent in the Senate Committee report, is a means whereby to lead the reader astray and keep him from denouncing what had happened as a chain of crimes. His mind is distracted by all kinds of side-issues: are the relations between the highest and lowest ranks in the U.S. Administration properly governed by appropriate instructions? What is the extent of responsibility of presidents and their ministers for the "extremes" (that is, acts of terrorism!) which the CIA staff is busy preparing and committing?

It comes out that the point at issue is not whether the United States is entitled at all to interfere in the internal affairs of other countries, mastermind conspiracies or overthrow legitimate governments, but just how far the particular form of dialogue between the President and the National Security Council or the National Security Council and the CIA is convenient and invulnerable from the standpoint of domestic political struggle and international repercussions: must the President clearly say "no killing" when, for example, he orders a Patrice Lumumba or a Salvador Allende to be blocked from office "by any means",

or he may rely on the quick wits of his subordinates? Should one be killed, the President can always say he did not mean that: his complicity is not proved and his face is saved—and that is, perhaps, more important than unequivocal directives?

In short, almost every summary, chapter or section of the report reiterates "doubts", plays testimony against testimony, and prompts some vague conclusions which never make it clear: are assassination plots good or bad for the prestige of the United States?!

One of the closing chapters of the Senate Committee report opens with this particular exhortation: foreign leaders should not be assassinated. And although this inhibition is backed up by a high-sounding phrase about the "fundamental moral principles of the American way of life", it is virtually reduced to naught by complementary "practical considerations". Now, these considerations, taking up quite a few pages, offer an excuse for any action whatsoever. They deal in great detail with all the "pros" and "cons" of assassination—not as immoral or incompatible with international law, but just whether politically worthwhile or not: suppose you kill one that you don't like, are you sure you will have the right man instead? With Diem assassinated, what changed in South Vietnam and what did that all end up in? The conclusion for the reader to draw from all this jugglery is: one may and must intervene in foreign affairs, provided one takes enough care to avoid a scandal.

It is worth noting that not a single passage in the report of the Senate Committee denies the fact that sponsoring plots, setting up military juntas, secret economic warfare, subversive propaganda, sabotage and wrecking activities have been a standard U.S. practice all through the postwar period. Without resorting to such means, the authors of the report seem to believe, there is no way of protecting the interests of the United States, that is, those of American imperialism. But none of them must ever be allowed to compromise the reputation of the high-ups who shape national policies.

It will be just to the point to quote a rather interesting dialogue of two quite prominent personalities—Senator Charles Mathias and former CIA Director Richard Helms, cited, as if by chance, in a footnote to the Senate Committee report.

As he questioned the former CIA Director on the extent of a U.S. President's implication in giving orders to assassinate foreign leaders, the Senator said: "Let me draw an example from history. When Thomas Beckett was proving to be an annoyance, as Castro, the King said, 'Who will rid me of this man?' He didn't say to somebody, 'go out and murder him'. He said: 'Who will rid me of this man?' and let it go at that."¹

Helms replied, with some irony: "That is a warming reference to the problem," and he took pleasure in explaining to the Senator that he, a professional intelligence man, liked that kind of approach to the practice under review. "... I think that any of us would have found it very difficult to discuss assassinations with a President of the U.S. I just think we all had the feeling that we're hired out to keep those things out of the Oval Office."²

The CIA, as a secret service, Helms believed, should keep statesmen out of its own affairs, and must act on its own in coping with possible unpleasant consequences, and all the more so in making up for its dirty policy itself, but the mistakes of the executants who failed to safeguard the nation's image and the reputation of its Presidents.

There is an amazing coincidence between the former CIA Director's "warming reference" and "The Concept of Plausible Denial", a strange, yet clear formula set out in the Preamble to the report. That is, by the way, the title of one of the introductory chapters, and it is to this concept, subsequently elevated into a "doctrine", that the authors of the report revert in its closing part as well. Utterly unembarrassed, the Senators discuss over and over again this concept or "doctrine" for the Presidents and their ministers to extricate themselves unstained even from murder cases by

¹ *An Interim Report...*, p. 149.

Thomas Beckett (1118-1170)—an English clergyman and politician, Royal Chancellor since 1155, and the Archbishop of Canterbury since 1162. He opposed the policy of King Henry II Plantagenet, who strove to bring the Church of England into submission to secular power, notably, implying the submission of the churchmen to the Royal Court. Once in conflict with the King, Beckett escaped from England to seek the Pope's support. Upon his return to England in 1170, on Pope's advice, he resumed fighting the King. On the King's secret order, he was murdered by four Royal knights in the Canterbury Cathedral.

Ibid.

the instrumentality of the same kind of sophistry and ambiguous "counsels", "instructions" and "directives". What Helms told the Senator and what the authors of the report quoted as footnotes dotted the i's: the President and the government must have a guaranteed opportunity to dissociate themselves decidedly from all unseemly or criminal acts and put the entire blame squarely on the executants—they get their pay for that.

There is one more particular aspect of the "evolution of confessions" that one cannot leave out of sight. In their introduction to this voluminous publication, whose general trend and character we have already described, the authors of the report underscored the "courage" of American democracy. In fact, they modestly declared the publication itself to be its moral exploit.

Properly speaking, there is nothing new about it. Neither the National Security Council, nor the State Department, nor the CIA, nor even the authors of the report have produced this self-righteous definition.

Sin but repent, and you'll be forgiven—this is a time worn precept of the morality of oppressors. This kind of morality is a weapon of latter-day oppressors—the U.S. monopolies which are up to defend their omnipotence and to oppose the revolutionary and national liberation movement by whatever means they can.

The general assessment of the reports of the Senate Committee has to be based, above all, on the fact that all that the Committee has done, upon having investigated nothing but some of *the past activities* of the Central Intelligence Agency, was to have officially confirmed what had been known before: the CIA, acting in the knowledge and with the authorisation of the government and the U.S. Presidents in person, had, for years, resorted to the practice of covert operations of intervention in the internal affairs of other countries, supporting the particular candidates or parties at election time, or engineering military coups. Moreover, the military coups, as the Senate Committee had to admit, "in the decade of the 1960s became the dominant CIA clandestine activity, surpassing covert psychological and political action in the budgetary allocations."¹

The overthrow of legitimate governments, political

¹ *Final Report...*, Book IV, p. 67.

assassinations, support for butcher dictatorships, incessant gross interference in the internal affairs of other countries to deprive their governments of a position from which to achieve national independence and reorganise social and economic structures—are the main misdeeds in the long list of crimes committed by the U.S. intelligence network in order to preserve the regimes that suit the United States.

It is within the framework of this policy of intervention, “taking no moral considerations of any sort into account”, that action was launched, in particular, as we have shown earlier on in this book, to carry out a plan to overthrow the elected Popular Unity Government of Salvador Allende. That was an encroachment on the political independence and sovereignty of Chile.

The Senators’ fuss over the CIA has been summed up by the U.S. press in commentaries which boiled down to something like this: the Senate Committee has raised much dust, but dug up little muck. Once the dust has settled, the CIA will quietly resume its mission of interminable fighting against communism.

In short, the U.S. intelligence system has got to be strengthened more than ever before—that was a rather unexpected conclusion to follow the polemics which had seemed at first to threaten a winding-up of the CIA as it was. The congressional crusade to change the system of intelligence oversight was soon dead, as *The Washington Post* emphasised, because of, among other things, “adroit White House political orchestration and territorial jealousies of congressional barons”.¹ Nothing but “scant enthusiasm remained in Congress for any further radical reform of the CIA or other agencies” by the time the Final Report of the Senate Committee was published.²

It is clear that wherever the interests of U.S. imperialism clash with public institutions, rules and even standards of bourgeois democracy, the latter have to yield ground. In sight of any obstacles to imperialist hegemony, the authorities join forces—and there is no more division or separatism between the institutions and their staff. A danger to the collective interests of the U.S. dominant class galvanises the country’s political setup into a certain type of united action.

¹ *The Washington Post*, April 19, 1976, p. 1.

² *U. S. News and World Report*, May 10, 1976, p. 23.

So, nobody was surprised to see that for all the ballyhoo in the press, the CIA—which has as one of its paramount missions to guarantee the security of U.S. investments abroad—never so much as contemplated giving up the policy of intervention in the political affairs of foreign nations. That was the bidding of the ruling establishment anxious to see more Chile-type coups staged and more undesirable governments overthrown.

It was not by chance that while announcing a plan to reorganise the federal intelligence system, the U.S. Government was quite outspoken in pointing out that the CIA's basic powers relating to spying in various parts of the world remained as valid as ever, and that even the most questionable of these activities, with far-reaching implications—covert operations against foreign governments and leaders—would remain intact. This was confirmed by the then CIA Director G. Bush who, speaking at Harvard University, said that the CIA's main concern was to keep doing what it had done, but "keep it secret".

As the Carter Administration took over in 1977, the veil over the CIA's activities thickened.

The course of events during the years which have passed since the military fascist coup in Chile and the overthrow of a democratically elected government of Salvador Allende, has demonstrated in whose interests the coup was made. Evidence has been mounting to prove that the object behind the coup was not only to replace a government unpalatable to the United States, but also cut short the revolutionary process and put the country back under U.S. monopoly domination.

At one time both the internal and external forces of reaction accused the Popular Unity Government, which faced, on taking office, the sabotage of the local oligarchy and pressure from multinational monopolies, of being "unable" to resolve the country's economic problems. The Junta, having seized power, tried to justify its action by claiming it wanted to restore "law and order" and, above all, put the economy on a "sound footing". What has happened in reality?

Chile's present economy is as sick as it never was; it is floundering in a deep-rooted crisis. "Fascism," says the *Manifesto of the Communist Party of Chile* published in June 1977, "has disrupted all of national life, it denies Chile all prospects of progress, and aggravates the tragedy of the country."¹

¹ *Manifesto of the Communist Party of Chile*. Cited from: *The New Times*, No. 28, 1977, p. 24.

According to the tentative estimates of the National Planning Board of Chile, the country's gross national product grew by 8.6 per cent in 1977.¹ The Junta's spokesmen have been out to present this as an unprecedented success. But this is a deceptive conclusion because the gross national product shrank by 9.4 and 12.9 per cent respectively in 1976 and 1975. The production of consumer durables dropped, for instance, by 30 per cent from 1969 to 1976, the output of textile fabrics and footwear went down by one-third, that of electrical goods by 20 per cent, etc.

The gross national product (in constant 1965 prices) has practically not been growing since the latter half of the 1970s. The volume of production in the mining industry in 1976-1978 remained unchanged, while that of the manufacturing industry was down by 15 per cent from the 1973 level?²

El Mercurio, the newspaper belonging to the Edwards clan and closely linked with the ringleaders of the Junta and its patrons ever since the coup was in the preparatory stage, has had to admit that Chile's basic problems are high prices of foodstuffs, unemployment and shortage of resources.

What has compelled this mouthpiece of the Junta to speak of Chile's economic difficulties all of a sudden?

The answer is simple. The nation is starving, and this is a fact impossible to deny. Realising this, the Junta's semi-official organ has been trying to find an excuse for, and an explanation of, the disastrous economic situation.

Indeed, while by the time of the coup (August-September 1973), the rate of unemployment level in Chile was 3.1 per cent, being among the lowest on the continent, in subsequent years it increased disastrously up to one-fifth of the country's able-bodied population of 3.3 million in 1976, according to the Junta's official statistics. That means

¹ One thing to be remembered in assessing the relative success of industrial production (achieved, incidentally, at the expense of extremely lop-sided development) is that, in contrast to the period of 1971 through 1973, a considerable proportion of the output is the property of transnational corporations, not the Chilean nation, in the first place.

² *Monthly Bulletin of Statistics*, New York, January 1980, Vol. 34, No. 1, pp. 17, 22, 178, 217, 226; *International Financial Statistics*, January 1980, p. 110.

some 600,000-700,000 must be out of work at the time of writing.¹ This is the highest figure for the past 30 years of Chile's history. The industrial employment index points up a steady downward trend. In 1971 it was 97.0 (with 1970 level as 100), then rose to 111.4 in 1973 and dropped to 91.0 in 1976.²

Official statistics are doctored to create the impression that unemployment is on the decline. Yet the Chilean trade union organisations, closer than anybody else to this problem, maintain that overall industrial unemployment remains generally at the level of 20 per cent and even as high as 40 per cent and more in the construction and metal-working industries. The cost of living is rising all the time. Even the semi-official press admitted that Junta's unemployment and price level statistics can convince no one.

Hyperinflation was snowballing. The general consumer price index in 1978 was 232 773 (1970=100), while that of food prices was 280 924. Paper money in circulation expanded from 225 million pesos in 1973 to 24,129 million pesos in 1978. The national debt soared from 637 million pesos in 1973 to 76,894 million pesos in 1978.³

"Unemployment" means "hunger" for much of the Chilean population. But the point is that even many of those who do have a job are eking out a hand-to-mouth existence. These are, above all, the hundreds of thousands of Chileans nominally employed under the Junta's "minimum employment plan", entitled to half the official minimum wage rate, miserable as it is. However, early in 1978 it was decided to lay off 35,000 in this category of employees of various state-run enterprises. And more recently the Junta decided on wholesale lay-offs on the railways.⁴

The situation in the poor districts of Santiago is tragic, indeed. Malnutrition is a real scourge; out of 200 children subjected to a medical check-up in a diocesan outpatient

¹ *Monthly Bulletin of Statistics*, U. N., New York, July 1977, Vol. 31, No. 7, p. 17.

² *Ibid.*, p. 14.

³ *Monthly Bulletin of Statistics*, New York, January 1980, Vol. 34, No. 1, pp. 17, 22, 178, 217, 226. *International Financial Statistics*, January 1980, p. 110.

⁴ These lay-offs have been brought about, among other things, by the private interests of the Pinochet family whose bus companies face competition from railway transport services. *Ibid.*; *Literaturnaya Gazeta*, October 1, 1975.

clinic in one of the parishes in the south of the capital, 85 were found to have clear signs of malnutrition. The Archbishop of Santiago organised canteens for the poorest of children: 30,000 kids get some bread, a mess of pottage and beans five days a week. But that's a mere fraction.

Workers, too, continue to be seriously underfed. Since the end of 1973 prices have been going up unchecked with wages drastically curtailed. The population's purchasing power has sharply declined. Neither did the year 1976 bring any relief. As a result, the per capita real income of a workman in 1976 was no more than one-third, on average, of what he had in early September 1973, that is, before the coup.¹

A report drawn up by a group of Chilean researchers indicated that the minimum monthly cost of living of a family of five was around 1,500 pesos in October 1976.² The "official" average income of such a family was 1,200 pesos. Therefore, even if that family spent the whole of its income on nothing but food, it would still be left underfed.

There is yet another category of hungry people—the 800,000 pensioners who have to live on a pension of 360 or 410 pesos a month or even on the lowest one of 80-85 pesos a month. Theirs is an appalling condition.

Finally, an outstandingly hard lot befell a considerable proportion of peasants who, with the return of big landowners, were driven away from their plots and evicted from their homes. At the most conservative estimate, 24,500 families (out of the total of 155,000) are living below the poverty line.

The inhuman conditions to which a great proportion of the country's population has been reduced has a most tragic effect on the growth of death rate, above all, the infantile mortality rate, and leads to thousands of beggars walking the streets of Chilean cities. "Child mortality rate has reached the world's highest ever level. In every thousand children, 26.5 die at birth, 34 survive no more than 28 days, 66 die withing their first year, and 30 before the age of 4,"³

¹ *Latinskaya America*, No. 5, 1976, p. 77.

² The total depreciation of the national monetary unit compelled Chile's fascist rulers to change even the name of the national currency, under the 1975 monetary reform, from "escudo" to "peso"; 3 pesos are equal to 1 franc.

³ *Europeo*, December 23, 1977, p. 43.

an Italian bourgeois magazine reported. The percentage of children going hungry is rising all the time. According to the latest estimates, 22 per cent of children under 6 go hungry in the urban zones of the provinces of Antofagasta, Atacama and Coquimbo and 31 per cent in the rural localities. These figures are conclusive evidence to disprove the official allegation that the population in the countryside is better fed than in the cities.

The Vicariat of Solidarity founded by the Church to provide assistance to political prisoners and unemployed, surveyed 9,649 children (mostly from the families of sacked workers) in the summer of 1976, from among those who go to church-maintained canteens for children. 66.4 per cent of those children (6,408) were quite wasted. A few subsequent check-ups showed no improvement. According to Church sources, 11,814 of the 19,277 children surveyed by nutritionists were found to be cronicallly undernourished.¹ Thousands of women give their children away to be adopted abroad and so sacrifice their motherhood to save their lives.

Professor Fernando Monckeberg, Director of the National Nutrition Council, a fierce opponent of the Popular Unity Government, and now a close friend of the ruling Junta, had to admit: "96 per cent of the Chilean children are either ill fed or undernourished. They lack proteins, they get no fats, no vitamins. In hospitals we have been witnessing the first results of this state of things: the newborns have a more fragile bone structure, they are often rickety... The cause is the parents' malnutrition; too little meat, too much farinaceous food."²

The amount of food, sold in retail trade, dropped in 1974 and went further down again in 1975.

The abrogation of the agrarian reform, the ruin of small and medium proprietors and the policy of concentration of wealth in a few hands have damaged agriculture. Over half the plots turned over to the peasants under the Agrarian Reform Act have been given back to their former owners, and big landed estates reappeared. The ending of the state aid programme for peasants spelled ruin for them. The result of all this has been that in 1974 the volume of agricultural production was down by 5.6 per cent from 1972,

¹ *The New York Times*, December 8, 1976, p. A18.

² *Europeo*, December 23, 1977, p. 40.

and in 1975 it shrank again by 7.7 per cent as against 1974, while in 1976 the drop was 23 per cent as against 1972.¹ Per hectare yields fell by 30 per cent for wheat, 35 per cent for barley and 17 per cent for maize compared with the situation under the Popular Unity Government. According to a U.N. expert, all that the Junta achieved in three years following the coup was to bring agricultural production down to the 1920 level. Consumption of bread, sugar, eggs, rice, beans and, more particularly, meat, butter and milk have all declined. These and other most calorific products are becoming luxury items for the working people. Retail trade turnover has dropped by more than 7,000 million dollars from September 1, 1973, to July 1975. A civil servant with three dependents could buy 22 kg of bread for his day's earnings in September 1973. A year later, in September 1974, he could buy no more than 10.83 kg and in 1975 his one-day earnings would not buy even 5 kg of bread. The leader of the Pharmacutists' Union of Chile told a press conference that over 50 per cent of prescriptions made out by doctors in Santiago never reach the drugstores since the patients cannot afford the medicines.

The Junta's economic policy is doing more damage than simply impoverishing the working people. The ruining of small and medium businessmen is in full swing. For example, there were 70 ore-dressing establishments in Andacollo in 1974, but in 1975 as few as 15 remained. The Noranda Mines monopoly has been swallowing up bankrupt businesses. Similar processes are under way everywhere.

It is not only the handicraftsmen, small and medium businessmen, but relatively big proprietors that go bankrupt. As a French newspaper, *Le Quotidien de Paris* pointed out in December 1976, "a new fact (and a very important one in the political sense) is that the crisis is now afflicting the Chilean middle classes as well ... the very bourgeoisie that did so much to bring Allende down."

These are the reasons which a prominent Chilean emigrant political journalist Eduardo Labarca gave to explain why many of the middle classes, who initially backed up the Junta, are not doing so any more, and this led to a social

¹ *The New York Times*, December 8, 1976, p. A 18.

vacuum arising around the Pinochet clique.¹

All of the Junta's economic measures are designed to serve the interests of the local oligarchy and foreign big business. This is the substance of Pinochet's economic strategy which has brought about rising prices, higher unemployment and a drastically depressed standard of living for the large mass of the people.

The present-day economic policy of Chile, followed by the Junta, has been worked out by an American economist Milton Friedman—an "intellectual tutor and unofficial counsel" of a group of Chilean economists now in control of the nation's economic life. Most of them have had their training at Chicago University under Friedman and his assistant-professor Arnold Herberger.

These "Chicago boys", as they are known in Chile, made it their job "to supplement the brutality which the military possessed, with the intellectual assets it lacked."²

But what is important about is not so much the fact of Friedman having been invited to perform so delicate and peculiar a function, as that Friedman and his American and Chilean collaborators had got down to their business long before the overthrow of the legitimate government of a sovereign nation.

As the U.S. Senate Select Committee on Intelligence Activities confirmed, "CIA collaborators" had helped plan economic measures that the Junta enacted immediately after seizing power.³

Friedman himself, who attached so much importance to the Chilean experiment, had been to Santiago more than once. On his first visit, in company of Professor Herberger, he delivered several widely advertised lectures imperatively urging a "shock treatment" of the Chilean economy. In April 1975, he spent six days in Chile, attending all kinds of conferences, looking into economic research studies at state-run institutions and lecturing. One meeting which Friedman attended was in the office of General Pinochet. After that trip he prepared his new recommendations for the "development model" which he subsequently turned

¹ *The Lessons of Chile*, Nauka Publishers, Moscow, 1977, p. 248 (in Russian).

² *The Nation*, August 28, 1976, p. 137.

³ *Business Week*, January 12, 1976, p. 70.

over to the members of the Junta. Herberger made his fourth visit to Chile at the end of 1977.¹

The fact that a Nobel Prize winner, acknowledged leader of one of the most influential schools of bourgeois economies, should have undertaken, together with his closest associates, to create a "development model" for the fascist Junta, incurred the indignation of progressive opinion. Even bourgeois scholars consider it inadmissible and deplorable for their colleagues to act as economic experts of Pinochet's terrorist regime. A Nobel Prize winner, Marcus Raskin, Co-Director of the Institute for Policy Studies in Washington, contributed an article to *The New York Times* bringing heavy charges against Friedman.² Even the *Newsweek* magazine, to which Friedman has been contributing for many years, was critical of his actions.³ He had to be protected by police from an angry crowd during his visit to Stockholm in 1976 for a Nobel Prize Committee meeting.

The official (most current) name of the model worked out by the Chicago School economists to put the Chilean economic setup on a "sound footing" is "social market economy". This name is meant to disguise an attempt at emulating the "social market economy" which was modelled by Ludwig Erhard during the period of so-called "German miracle". Besides, by this name and by a pretended analogy with West Germany, the "Chicago boys" are seeking to prove that they are imitating Erhard's slogan of "well-being for all" which misled large sections of the petty bourgeoisie who voted for the Christian Democrats.

In actual fact, Friedman's "development model" for Chile meant restructuring the country's economy with the aid of transnational corporations directed by managers trained in his school. It is in their interest that he has been demanding free enterprise initiative for monopoly domination of the Chilean economy. A proponent of the monetary concept of the cycle, Friedman maintains that the intervention of the state should be restricted by a regulation of the mass of money in circulation⁴ and that the management of production should be concentrated in the hands of corporations.

¹ *The New York Times*, December 2, 1977, p. A 16.

² *The New York Times*, June 5, 1977.

³ *Newsweek*, October 25, 1976, p. 41.

⁴ *Mirovaya ekonomika i mezhdunarodniye otnosheniya*, No. 12, 1975, pp. 125-28.

While offering their model to the Chilean Junta as a vehicle of economic development, Friedman and his Chicago School partners assured that its application would stabilise and gradually increase production, redress the foreign trade balance and create the conditions for foreign debt service payments and for bringing down the rate of inflation. The Chicago School recommendations were carried out at first under the guidance of the then Minister of Economics, Fernando Léniz (a private counsel to Edwards, a major industrialist) who had been Director General of the *Mercurio* newspaper, and was subsequently succeeded by Jorge Cauas.

The abandonment of the system of state regulation of wages related to the growing cost of living; reduction of the public sector in industry; restriction of indirect government intervention in the economy (cutback on government spending, cancellation of progressive income tax, control of the banking interest rate, and curtailment of emission regulation); return of much of expropriated land to its former owners; liberalisation of foreign trade (the highest custom tariffs to be brought down to 10 per cent whereas the countries of the Andean group which had previously included Chile, maintain them at the level of 120 per cent); "reintegration of Chile in the international financial community" which meant the return of a large proportion of foreign businesses to their former owners—this is a list of top-priority measures to implement the economic policy devised by the "Chicago boys".¹ In the space of two years, 250 million dollars' worth of public property was poured back into the private sector, and a further 240 million dollars' worth of such property had been prepared to be sold out or transferred under a short-term programme and 800 million dollars' worth of property under a long-term programme.

These theorists, pretending to stand for a limited role of the state, have gone as far as to oppose government spending on education, health services, etc. The Junta has drastically cut the expenses for health services and education. These were down in 1975 to about 55 per cent and 41 per

¹ A more detailed analysis of these measures is to be found in the article by Chilean economist Jaime Estévez published in *Latinskaya Amerika*, No. 6, 1976.

cent respectively of what they were in 1972. Tuition fees have been reintroduced in the Chilean institutions of secondary education since 1978. There has been a full-scale recasting of the economic machinery parallel with the rape of social gains. Violation of human rights, legitimised cruelty and suppression of all dissent have emanated from Pinochet's economic policy based on the recommendations of the Chicago Group of economists. The ban on the activities of the United Workers' Centre (CUT), suppression of the right to strike and to file petitions—these governmental measures have been theoretically treated as "putting things in order at the point of production". The application of the Chicago School model to the conditions of Chile, an underdeveloped and dependent economy, went far towards intensifying its social differentiation.

Chile's economy had been extremely monopolised as a result of domination by transnational corporations before the Popular Unity Front came to power. For example, 284 companies held the reins in all sectors of the economy under President Frei's government in 1966. Industry was in the grip of 144 companies. In each of its seven key branches, at least half the total volume of production was controlled by one to three firms. Multinational monopolies captured some vantage-ground in the Chilean economy. Of the 22 transnational corporations operating in Chile, 19 either got rid of all competition or shared the market with one or two monopolies. The extent of monopolisation must have increased still further with the return or sale of most businesses to national or multinational corporations. Market forces in the capitalist countries are known to work for monopolies, helping them supersede small producers. "It is this process that is now under way in the Chilean economy," Volodia Teitelboim, member of the Central Committee Political Commission of the Communist Party of Chile writes, "with the public sector denationalised and the former state enterprises being turned over like gifts to U. S. companies and big Chilean capitalists."¹

According to an International Monetary Fund Report of May 1976, the process of returning to the private sector the vast majority of the enterprises which over the previous fifteen years, but especially in 1971-1973, had become part

¹ *Literaturnaya Gazeta*, October 1, 1975.

of the public sector, continued during 1975. At the end of 1973, the Public Development Corporation (CORFO) had a total of 492 enterprises, including 18 commercial banks. Of this total, 253 enterprises were returned to their former owners in 1975. 104 (among them 10 banks) were sold to private owners; 16 (including two banks) have been adjudicated, with their transfer procedure about to be completed; the sale of another 21 enterprises was being negotiated bilaterally with groups of potential buyers. Competitive bidding was solicited for the remaining enterprises.¹

The public sector as well as the results of the agrarian reform have been virtually scrapped in the farming community. The Junta returned 1,117 estates with a total land area of about 1.3 million hectares to their former owners. The owners of 1,828 estates had some of their expropriated land, about 0.4 million hectares in area, restored as their property.

It is a small number of potent national economic groups that invariably act as buyers. A substantial proportion of industrial undertakings have been sold to transnational corporations. For example, the enterprises of the national tyre industry (INSA) have been bought by the international Firestone Corp., the pulp and paper enterprises of the Celulosa Forestal Arauco by the Parsons and Whittmore Co.² A number of mining enterprises were sold to the multinational Exxon Corp. at the end of 1977.³ Transnational corporations also established control over the strategic sectors of the Chilean economy. Anaconda Copper Mining is one of the monopolies which have been expanding their influence in the country, taking hold of the production and sales of copper and other mineral resources, and acting both through public and private companies.

The enactment of the theoretical model advertised by its designers as the only possible option for a long-term policy has not saved Chile's economy from ruin.

Here is one striking example of the way the mechanism of free enterprise works in the context of a monopolised market. With the decontrol of the prices of milk, its retail price soared by 40 per cent at once, while the procurement

¹ *The Nation*, August 28, 1976, p. 139.

² *Ibid.*

³ *Izvestia*, January 12, 1978.

price dropped by 22 per cent. Two companies, totally in control of milk processing and, respectively, of the dairy market, derived colossal profits both at the expense of 10,000 scattered producers and at the expense of millions of consumers of this essential product. At the end of 1977, the Junta lifted control over the prices of bread which is now a staple food for millions of poor people (under the rule of the Junta Chile has set an unenviable world record for per capita consumption of this product) with the price of one kilogram of bread leaping from 8 pesos to 10-15 pesos.¹

The ending of government regulation of the banking interest rate and the authorisation for private financial groups to do their crediting through their own organisations—*financieros*—led to local industrial tycoons shifting their interest from the sphere of production to that of money speculation which has assumed unprecedented dimensions. The abuses by the *financieros* became so glaring as to have angered even the former President of the Society for Industrial Advancement (an organisation of Chilean manufacturers) Orlando Sáez. Chileans call the *financieros* “piranhas”* and “crocodiles” for being so insatiable in their profit hunting. The Chilean followers of Friedman have come to grief, in their effort to stabilise the economic situation and check the rise of inflation, that is quite obvious. Another thing which is no less obvious is that they achieved their larger objective—that of ensuring economic and political power to a rather small dominant class through a redistribution of the national product in favour of a select group of monopolists to the detriment of the vital interests of the mass of the people.

Who has gained and who continues to gain from the misfortune of the people in Chile? Above all, the masterminds of the fascist coup, the U. S. monopolies, ITT, Anaconda Copper, Kennecott Copper Corp., Exxon, Bank of America, Down as well as the corporations of the U. S. military-industrial complex counting on supplies of Chilean raw materials. Along with these economic octopuses, there have been the national clans of financial oligarchy, linked with the fascist regime, a group of “piranhas” Javier Vial

¹ *L'Europeo*, December 23, 1977, p. 40.

* Piranhas (Braz.)—toothed fish—Ed.

—Banco Hipotecario, Banco-de-Chile, the clan of Augustin Edwards, and that of Matte-Aléssandri now headed by Eleonoro Matte, a group of "piranhas"—Cruzat-Larraín.¹

The nature of Friedman's economic experiment and the results of its enactment have been thrown in relief by statistics relating to the internal distribution of income which were cited in the above-mentioned article by a prominent Chilean public official and statesman Orlando Letelier who fell victim to the Pinochet secret police.² It spoke of a sweeping growth of income differentiation: "In 1972, the Popular Unity Government employees and workers received 62.9 per cent of the total national income; 37.1 per cent went to the propertied sector. By 1974 the share of the wage earners had been reduced to 38.2 per cent, while the participation of property had increased to 61.8 per cent... During the last three years several billions of dollars were taken from the pockets of wage earners and placed in those of capitalists and landowners. These are the economic results of the application in Chile of the prescription proposed by Friedman and his group."³

During three years—1974-1976—Chile's aggregate national income turned out to be 15,000 million dollars short of what could have been achieved with the maintenance of the average growth rates registered in 1963-1973. The foreign debt, which was as low as 900 million dollars under the Popular Unity Government, had climbed to as much as 4,500 million dollars⁴ in 1976 and topped 5,200 million dollars by the end of 1977.⁵

This is the real state of affairs. Whatever changes Pinochet's economic policy may have gone through or may yet undergo, some relief due to transient factors, such as higher copper prices and more investments, will not alter its class character or its anti-Chilean essence, the *Manifesto of the Communist Party of Chile* pointed out. It will still be one of handing all wealth over to the few and augmenting the impoverishment of the many.

So, the economic policy which the Junta of Pinochet and

¹ *Latinskaya Amerika*, No. 5, 1976, p. 75.

² Orlando Letelier was killed by a bomb planted in his car by "unidentified persons" in Washington in September 1976.

³ *The Nation*, August 28, 1976, p. 142.

⁴ *The New York Times*, December 8, 1976, p. A 18.

⁵ *Pravda*, January 15, 1978.

his advisers of the Chicago Group are putting into effect, is serving the interests of local monopolies and imperialist companies which were the accomplices of the 1973 plotters. It is aimed against the development of an independent and stable Chilean economy, which President Allende's government strove to build by increasing the purchasing power at home, promoting closer links with the Andean market,¹ broadening exchanges with Europe, Asia and Africa and using assistance from the countries of the socialist community.

As the *Manifesto of the Communist Party of Chile* states, the Junta's economic policy is directed towards intensifying dependence on transnational companies and relegating the nation's major problems into foreign hands, U. S. monopoly capital, first and foremost. Its effect has been a waste of national wealth, destruction of a substantial proportion of Chile's productive potential, which had taken decades to create, the reduction to a semi-colonial status.. Moreover, the economy has been assuming an increasingly lop-sided character, with its structural crisis growing from bad to worse.

The machinery of government is extensively used by a group of tycoons and military for personal gain. The Pinochet clique, in co-operation with American managers, has learned the technique of manipulating the national market by all manner of trickery with taxes, tariffs, credits and hard currency, etc., placed beyond all democratic control. Whatever few state enterprises remain or those with state participation serve a restricted segment of society whose interests are represented by the Junta.

On the fourth anniversary of the bloody coup, the leader of the Junta, Pinochet, just back from a visit to Washington for the ceremony of signing the new Panama Canal Treaty

¹ The Treaty on the Andean Group, representing one of the most advanced forms of integration in Latin America, was signed by Bolivia, Columbia, Peru, Chile and Ecuador on May 25, 1969; it was joined by Venezuela in February 1973. Regulation of the integration process within this subregional association comprises a vast set of instruments of influencing the system of reproduction: joint industrial programming, liberalisation of zonal trade, co-ordination of economic policies. The demand of the Pinochet Junta for the Andean Group to abandon the policy of restricting foreign capital in supporting the public sector could not be met by the other member-countries which led to Chile's withdrawal from the group in October 1976.

and later¹ to meet President Jimmy Carter, made a policy speech referring to Chile's economic position.

Leaving aside Pinochet's verbal jugglery and looking at nothing but the figures he quoted in his speech, one will get a rather unambiguous picture. The country's foreign debt is mounting all the time. By the end of 1974, it was as large as 3,600 million dollars and by the end of 1975, 4,300 million dollars and went on to top 5,200 million dollars by the end of 1977.¹ Chile has been paying 1,000 million dollars in foreign debt every year. The government has failed to cope with the problem of massive unemployment. As Pinochet said, to pay the debts the country had to make sacrifices at a time when 400,000 people are out of work and on the dole. In this way it turns out that unemployment, as Pinochet presents it, is the price the nation is willing to pay to stand the pressure of overseas bankers. Even the U. S. press has pointed out that the Junta had brought the country's economy to the verge of bankruptcy. These are the social consequences of the application to Chile of the "development model" designed by the Chicago School of economists.

Why, then, is the Junta still retaining power in its hands in spite of this social vacuum? Who is aiding Pinochet to preserve the dictatorship oppressing the Chilean people?

It is no longer a secret to anybody that the regime of terror in Chile is backed up by American and international imperialism and multinational corporations which, with the military-fascist coup staged, have regained control of plants, factories and mines nationalised by the Popular Unity Government.

The U.S. Administration has never concealed its satisfaction with the course of events leading up to the overthrow of the Popular Unity Government and to its replacement by the Junta, which it saw as the best possible substitute to express the interests of U.S. imperialism at this juncture. Here is how the State Department summed up the U.S. stand at that time: "Our general view was, quite naturally, that ... any non-Marxist government in Chile, in terms of immediate, concrete U.S. interests was advantageous."²

The social character of the coup also suited Washington perfectly well. The Junta's reprisals were directed, above all,

¹ *Pravda*, January 15, 1978.

² J. Petras and M. Morley, op. cit., p. 137.

against the working people who saw President Allende as an exponent and champion of their hopes. At the same time the Junta announced the return to the policy of inviting foreign investment, naturally, that of the United States, first and foremost. All this combined lent a specific social aspect, pro-capitalist and pro-U.S. to the coup.

Having seized power, the Junta immediately abandoned the policy of rebuilding the country's national independence which had been pursued by President Allende's government and swung into unconditional support for the strategic plans of the United States and its corporate interests. A large number of enterprises nationalised during the preceding three years had been returned to their former foreign and Chilean owners. The Junta accepted to pay compensation totalling 500 million dollars to U.S. copper mining companies for the losses they said they had sustained.¹ A few months after the coup it paid the first instalment of 1.6 million dollars to the Overseas Private Investment Corporation as compensation to U.S. investors whose property had been expropriated by the Popular Unity Government. Next in line were the Anaconda and Kennecott companies who got their compensation payments totalling 321 million dollars.²

In the light of these initial moves of the Junta, the U.S. Administration and international financial organisations immediately reconsidered their attitude to Chile and declared themselves willing to aid in "reviving" its economy, which incidentally, had been badly damaged by an American blockade. Chile's international creditworthiness had been "restored" in the same way.

A few days after the coup, on September 25, 1973, Washington decided on action to strengthen political and economic relations with the fascist Junta. This had been preceded by secret conferences between the then U.S. Ambassador in Santiago Davis and Secretary of State Kissinger "to discuss means by which the United States can come speedily to the aid of the Junta".³

The U.S. Government was "the first to offer financial assistance" to the Junta in the shape of a 24-million-dollar

¹ *The Lessons of Chile*, op. cit., p. 247 (In Russian).

² J. Petras and M. Morley, op. cit., p. 152.

³ *Ibid.*, p. 140.

credit,¹ followed by one of 28 million dollars. The U.S. press saw these measures as "extraordinary" against the background of previous U.S. crediting policy with respect to Chile which had turned on the argument about that country's insolvency.²

Even before the settlement of the issue of compensation to copper companies, the U.S. Administration had agreed to put off the deadlines for the payment of service of some of the Chilean debt to U.S. government institutions while in earlier days, under Allende (in the course of negotiations within the framework of the Paris Club and during bilateral U.S.-Chilean contacts), such a settlement was declared to be an indispensable preliminary condition to meet before any negotiations about debt service payments could begin.

International financial organisations also took up what was a favourable posture with respect to the Junta, after the coup, concerning funding its long-term projects. A delegation of the International Bank for Reconstruction and Development, the International Monetary Fund, the Inter-American Development Bank, and the Inter-American Committee on the Alliance for Progress arrived in Santiago at once. They all, as the President of the Central Bank of Chile, General Eduardo Cano pointed out, were well-disposed to the Junta.³ Commenting on the possibility of credits being granted to it by international financial organisations, the then US Assistant Secretary of State Jack Kubisch declared: "If the new government adopts sensible programmes that can be supported from abroad, I would expect the World Bank, the Inter-American Development Bank, other government and international agencies, to try and assist if that assistance is warranted."⁴

The forecast made by Kubisch proved true. The Inter-

¹ This figure, as Senator Edward Kennedy said, "is eight times the total commodity credit offered to Chile in the past three years when a democratically elected government was in power." *The Washington Post*, October 6, 1973, p. A11.

² Before the coup a Chilean trade delegation had tried in vain to get some credits which Chile badly needed for the purchase of wheat in the United States. Pedro Bosch, a member of the delegation, said at the time that the possibility of getting such credits "depended on a political decision of the White House". *The Washington Post*, September 8, 1973, p. A12.

³ *The Washington Post*, October 8, 1973, p. A 32.

⁴ J. Petras and M. Morley, op. cit., pp. 214-15.

American Development Bank did grant a 8.5-million-dollar loan to the Chilean Development Corporation (CORFO) soon after the coup, and the International Bank for Reconstruction and Development authorised 13 million dollars' worth of credits for technical assistance to the Junta and agreed to provide CORFO with a 5.25-million-dollar credit for pre-investment studies in mining, metallurgy, manufacturing, transportation, etc. The International Monetary Fund approved a 95-million standby agreement in February 1974 which played a decisive role in pushing the Paris Club countries to agree to renegotiate Chile's over 900-million-dollar foreign debt.¹

So, in the course of the first six months of the Junta's rule, it extensively availed itself of the "generosity" of international, U.S. and other foreign financial organisations which served as an important prop for the anti-popular regime. It got close on 470 million dollars within a few months alone—between October 1973 and March 1974.

The bankers' quick response to the Junta's plea for "a little Marshall Plan" is something of a mystery, considering that the military had cried out that the economy was on the brink of bankruptcy when it took over. Moreover, the renegotiation of Chile's onerous past foreign debt took place in a favourable setting.²

It was, quite naturally, the U.S. private banks that appeared to be most active. Getting loans from those banks was no problem for Chile right after the coup. The receipt of short-term commercial credits during the terms of Alessandri's and Frei's presidency amounted to some 300 million dollars a year, while, however, by the end of 1971, with the Popular Unity Government in power, it had dropped to 25-30 million dollars. On the very first months of the fascist Junta's rule, it got something like 200 million dollars' worth of short-term loans and credits, with about half of them coming from American private banks and the other half from private banks of many European countries, Canada and Brazil.³ During the same period the Junta received 10 million dollars apiece as special-purpose credits from the Bank of Colombia and the Swiss Foreign Trade Financial

¹ J. Petras and M. Morley, *op. cit.*, p. 143.

² *Ibid.*, p. 142.

³ J. Petras and M. Morley, *op. cit.*, p. 142.

Commission.¹ These funds (mostly in the shape of short-term commercial credits) enabled the Junta to cover urgent financial commitments.

The U.S. Government and private creditors helped the Junta out in many other ways. Thus, the United States offered it 11 million dollars' worth of military credits in 1974. According to the figures contained in the Senate Committee report, U.S. military assistance to Chile amounted to 15.9 million dollars in 1974 while the total economic and military aid (in the shape of loans and free deliveries) totalled 123.8 million dollars.²

American private banks, Wells Fargo, First National Bank of Chicago, Morgan Guarantee Trust Company of New York, Bankers Trust Company, Chemical Bank of New York, City Corporation granted upwards of 500 million dollars' worth of credits to the Pinochet Junta in 1976-1977 alone.

The Export-Import Bank resumed its guarantees and insurance programmes for Chile and soon after the coup, the U.S. Bank Consortium refinanced 124 million dollars of unrepaid debt due from it since the 1971-1972 fiscal year. In June 1974 the First National City Bank of New York acquired more than half (some 11.2 million dollars' worth) of the Chilean Government's treasury notes issued earlier that month to a total sum of 10,000 million escudos.³ During the second half of 1974 the U.S. Administration decided to grant Chile a substantial quantity of wheat and other foodstuffs as aid under Act 480.

As a member of the Paris Club, the United States played the key role in bringing about the decision of Chile's international creditors to postpone the payment of service of the bulk of its old debts.

The *Business Latin America* magazine described that decision as "unexpectedly generous" while another magazine, *Latin America Economic Report* wrote that this decision represented "an important psychological step in clearing the way for new credits to Chile".⁴ And, indeed, it took less than a month for the mining corporation to get

¹ Ibid., p. 142-43.

² *Covert Action in Chile...*, p. 181.

³ *The Washington Post*, June 2, 1974, p. N 1.

⁴ J. Petras and M. Morley, op. cit., p. 145.

credits totalling 140 million dollars from other countries. Although in the course of bilateral negotiations of foreign debt issues, some of Chile's foreign creditors brought up the matter of that country's human rights record (Britain did so, for example), influential foreign investors just could not down the temptation to lend immediate support for the restoration of capitalism in Chile. International money-lenders had launched a kind of competition to provide the Junta with cash.

It was the board of the U.S.-controlled Inter-American Development Bank that was particularly in a hurry to establish a "new relationship" with Chile. In doing so it was guided by political rather than by economic considerations. This bank had changed its stand in respect of Chile more drastically than any other of the international financial organisations. The General Assembly of the Inter-American Development Bank, meeting in Santiago in April 1974, considered, notably, a loan of 22 million dollars for the implementation of agricultural programmes. It took a single month to fix up, although in ordinary circumstances such procedures take at least half a year to run through. In May that same year, the Inter-American Development Bank authorised yet another loan to Chile, one of 75.3 million dollars, for the development of power engineering.

It should be pointed out that some U.S. policy-makers have grudgingly admitted that "the Junta's economic policies have been only partially successful".¹ However, they sought to justify crisis developments, slumps, unemployment, inflation and other disproportions in the nation's economy by the argument that the issues of political stability and external security mattered far more to Chile at this juncture.

The U.S. Administration has been trying to prove the necessity of lending large-scale economic assistance to Chile by referring not only to political considerations, but also the possibility of creating an infrastructure in Chile which would eventually facilitate the operation of American private capital. In other words, while backing up Pinochet, the United States has not been concealing its intention to draw more from the natural storehouse of that country so rich in strategic resources. This is roughly the position of

¹ J. Petras and M. Morley, *op. cit.*, p. 147.

the Directorate of IBRD. Yet at the same time its spokesmen do not mince their words in criticising from time to time the ringleaders of the fascist regime for their inability to find an intelligent solution to the problem of application of the vast financial resources allotted to them. Thus, a World Bank official has described the Chilean generals in the economic field as "literally stupid".¹

The International Monetary Fund has likewise been rendering considerable assistance and support to the Junta. Its delegation, which visited Chile in December 1973, approved of the measures Pinochet was carrying through and declared its total support for his economic policy.² That "broad support" had the effect, as we know already, of producing some lavish credit injections which helped open the door to get private loans and compel a renegotiation of the terms of the payment of service of huge foreign debts.

In spite of a heavy inflow of foreign capital into Chile after the military fascist coup, the volume of industrial production was on the decline, as stated earlier on, and as early as 1974 employers warned the government that the low purchasing power of the population could bring about a serious slump in industrial activity.

Only for a short spell of time, right after the coup, was the Junta in a position to enlarge on favourable change in industry, and even that in comparison with the immediately preceding period when the country's economic difficulties had been caused by sabotage of unprecedented dimensions.

In discussing the prospects for the development of the Chilean economy and policy in respect of that country at the present stage, U.S. officials said they could not afford to have that country revert to another "Marxist/anti-U.S." regime and that they "had no problems with Chile right now. If the regime became enfeebled, it would become an issue again."

"Let's say," they declared, "the situation is deteriorating and they are not getting themselves functioning in a viable economic system." If the situation became unstable, it would be provided with more of "strong non-military support".³

¹ Ibid., p. 261.

² Ibid., p. 149.

³ J. Petras and M. Morley, op. cit., p. 154.

Quite obviously, Pinochet's political masters are little preoccupied with those aspects of Chile's economy which directly affect the destinies of ordinary Chileans, working for a mere pittance and chronically undernourished. Their interests lie elsewhere. Lip-service to human rights does not stop bourgeois politicians from shutting their eyes to the Chilean people's suffering, since that suffering, they feel, cannot stand in the way of the sinister plans of international imperialism.

The Junta's economic policy, tailor-made for local and foreign monopolies, has terrorist repression as its part and parcel. The government cannot enforce its measures, which condemn most of the nation to hunger, without a Jugernaut of repression.

"The purpose of the tyranny," said the *Manifesto of the Communist Party of Chile*, "is to force the country into a pattern suiting the local and foreign monopolies. Fascism is anti-democracy, a terrorist dictatorship which, though directed primarily against the working class, is intolerant of and seeks to suppress all progressive ideas."¹

The Chilean military fascist dictatorship has watered the land with the blood of the people: close on 20,000 were killed and 30,000 arrested as political prisoners and cruelly tortured; 25,000 students were expelled from universities, and 200,000-odd progressive-minded industrial workers sacked² in the first four months of the Junta's rule!

However, the days when the political terror machine would run at full capacity were yet to come.³ The fascist Junta never stopped short of any crime to stay in power.

¹ *Manifesto of the Communist Party of Chile*, *New Times*, No. 28, 1977, p. 25.

² *Le Nouvel Observateur*, March 4, 1974, p. 82.

³ General Gustavo Leigh, of the fascist Junta, publicly declared that it would have to "massacre one-third of the 10 million Chileans to do away with Marxism." *Le Monde*, October 10, 1973, p. 11.

"The history of Chile," said Luis Corvalan, "has no other dictatorship on record as cruel as this one, which brings so much suffering to our people."

Some 41,759 people were estimated to have been through jails, concentration camps and torture chambers by early 1975—1,157 had been sentenced to various terms of imprisonment, 1,780 were under examination, and 1,116 were kept in custody without any charges yet brought against them. That much was admitted by the Junta's Interior Ministry. But these were doctored statistics, no doubt. For, as the British *Financial Times* found, for instance, a total of 95,000 opponents of the Junta had been arrested on political grounds or were reported missing between September 11, 1973, and June 30, 1975.¹ Church sources estimated that over 100,000 Chileans had been arrested and from 15,000 to 20,000 were shot or otherwise done to death since 1973.² The reign of violence and institutionalised terror, which the Junta had imposed on the country, made it increasingly difficult even for the Church to register the bestialities of the tyranny.³

As a prominent Dutch politician Mansholt said in an interview after a visit to Chile in the summer of 1975, what he saw there was the kind of "terror which reminds me of the methods (raids, torture and intimidation), used by nazis in my country during the Second World War. Not a trace of liberalisation, on the contrary, mounting and ever more ruthless repression."

The whole of Chile is in a mesh of sinister concentration camps modelled on those of nazi Germany, and that nearly 40 years after Dachau and Oswiencim.

One of the Junta's first steps right after the coup was to set up an ominous department, known as the National Intelligence Board (*Dirección de Inteligencia Nacional*, DINA), made in the image and likeness of the nazi Gestapo.

¹ *The Financial Times*, September 11, 1975, p. 4.

² *Stern*, February 3, 1977, p. 22.

³ The Santiago Ecclesiastical Board keeps files on each known case of murder, torture or kidnapping. Yet these record but a fraction of the Junta's crimes which have been increasingly difficult to monitor as years went by. To explain the reasons for a "silence on terror", the Western press has pointed out that Junta's secret police action techniques have become so insidious and subtle that the victims or their relatives give no more credence even to the clergymen.

At that very time Santiago newspapers published a communique by the Junta urging "Chilean patriots" to inform against the "Chileans with no God and no Homeland" by dialing 85-623. In short, those who were willing to do their bit towards eradicating "Marxism" in Chile henceforward knew where and whom they should turn to. The regime's political police was founded by the merger of what had previously been independent groups of mobile police (*el grupo móvil*), instituted in 1960 to suppress action by the working people and the intelligence agencies of the three armed services and Carabineros. DINA had an initial contingent of 15,000, the bulk of which had had their training at the anti-guerrilla warfare courses provided by U.S. instructors in Panama. After being reorganised, the DINA's strength substantially increased.

Naturally, nobody had ever thought of making DINA in any way respectable. The Junta had nothing like this on its mind. It had to be feared, that was the main thing... Therefore, this major punitive instrument of the Junta—one of the undergrowths of the fascist coup—was vested with unlimited powers: the powers to arrest people, put them behind the bars, torture them or destroy them, if necessary, without having to submit to any control whatsoever or to any superior organisation. It had nothing but Pinochet's personal orders to obey, and nobody but him to be accountable to. DINA, enjoying unlimited government funding, had the most up-to-date technical facilities at its disposal.

DINA, representing as it did a Chilean version of the CIA and FBI combined, had a rather wide range of functions, comprising intelligence, counter-intelligence and an investigation service—civil police.

DINA's counter-intelligence service—an omnipotent instrument of repression—has been engaged in total shadowing inside the country, keeping all sections of the population under its surveillance. It has been weaving its web of intrigues and persecution against democratically minded servicemen as well. DINA's secret agents have been young fanatics, double-dyed anti-Communists with a mission to penetrate the midst of factory and office workers, students and soldiers. Arrests, assassinations and kidnappings, interrogation and torture have been the sum and substance of all the activities of the counter-intelligence service and, in particular, of its operations department.

DINA has been not only an instrument of the Junta but its mainstay as well. Luis Corvalan said in an interview that the Chilean Armed Forces were divided and there was a feeling of discontent, and Pinochet, just like Hitler in his day, was now relying on DINA—the Chilean Gestapo—rather than on the Armed Forces. In virtue of this position, DINA has been free to use whatever means and apply whatever methods it might deem necessary.

Instructions given to DINA chiefs told them to make their arrests at night, after curfew, interrogate their suspects in detention camps by special groups. The main thing was not so much to have them quickly convicted as to wipe out their very organisation as such. If that information could be obtained at once, all means must be applied to this end.

People have been arrested without any witnesses around, without any arrest warrants, by DINA plain-clothes men in the streets, in educational establishments, in houses and in churches—they have been seized and taken away for interrogation involving bestial torture, as a rule. After such torture, many have become physically and mentally disabled.

Pinochet has denied that police in Chile applies torture. But he has not allowed a U.N. committee to visit Chilean prisons and camps.

For some time reprisals against Chilean patriots have had a new form. To avoid longer lists of political prisoners whose release is demanded by wide sections of world opinion, the fascist Junta has introduced a system of kidnapping followed by the "disappearance" of people suspected of disloyalty to the Pinochet regime.

DINA agents, almost always in plain clothes—have been seizing people in their homes or places of work; and there has been no more news about them after such an arrest.

While speaking up for the victims of the dictatorship, the Catholic Church has recorded 1,040 cases of missing people (and those were only the cases of people that the Church had enough evidence to prove to have been abducted by DINA agents).¹ According to fuller information from other sources, corroborated, besides, by eye-witness accounts, no fewer than 2,500 Chilean political prisoners are considered "missing", that is, under arrest which has not been

¹ *Stern*, February 3, 1977, p. 24.

officially recognised; many of them are dead.¹

"In most cases among those 'missing' are persons widely known in the country for their political and trade union activities or for their outstanding role in science and culture, as, for instance, the prominent Communist leaders Víctor Díaz, Deputy General Secretary of the Party, Mario Zamorano, Uldarico Donaire, Fernando Ortiz, Jorge Muñoz, and José Weibel; the Socialist leaders Exequiel Ponce, Carlos Lorca and Ricardo Lagos; and members of the MIR leadership (Left Revolutionary Movement) Bautista Van Schowen and Edgardo Enríquez. Their lot is shared by numerous members of the Popular Unity parties and non-party patriots."²

Hunting down Chilean patriots outside national frontiers has been the function of the DINA intelligence service. It has been setting up its strong points in the countries where the military fascist Junta has its interests, above all, in Latin America and Western Europe which have granted asylum to refugees from Chile—60,000 in the first three years after the coup. The Junta needed those strong points to be able to browbeat Chilean political emigrants, keep a check on their foreign centres and their political activities and stage acts of violence against the emigrants regarded by the ruling Junta as dangerous.

The DINA intelligence service, seeking to strike a fatal blow, at any cost and by any means, at the Chilean Resistance movement in exile and at its various ramifications and individual personalities, "has no problems connected with geographic frontiers",³ as the Italian *Tempo* magazine asserted.

The DINA intelligence service has been also concerned with providing the Junta with secret information on the situation in those regions of the world which Pinochet holds to be of interest to the Junta and where he is trying to win political allies or obtain economic assistance.

The actual job of carrying out all these assignments has been entrusted to DINA's Overseas Covert Operations Department headed by Juan Luis Ossa Bulnes, one of the prominent fascist ring-leaders of Chile.

DINA agents, with diplomatic passports in their pockets,

¹ *The New York Times*, June 24, 1977, p. A 27.

² *World Marxist Review*, March 1978, Vol. 21, No. 3, p. 91.

³ *Tempo*, October 3, 1976, p. 48.

have been engaged in a surveillance, indeed outright shadowing of Chilean democrats who have found political refuge in Belgium, Holland and other countries of Western Europe, to blackmail them. DINA has a network of agents and informers with official missions of Chile as their centres. The undisguised and unpunished actions of Pinochet's agents have been the reason behind the joint demand of representatives of the organisations of young Communists, Socialists, Christians and of the Catholic Peace Movement at the end of 1976 for the Belgian Government to close down the Chilean Embassy in Brussels and for an immediate enquiry into DINA's criminal activities in Belgium, which they said should be stopped right away.

In February 1977 a Mexican newspaper *El Día* published a secret document of Pinochet's Junta, which reached it through the channels of Chilean political emigrants. It laid bare the fascist regime's ominous activities abroad and the machinery DINA was using for its crimes outside Chile.

That document was a report from the DINA chief, Army Colonel Manuel Contreras Sepúlveda, presented to Pinochet on September 16, 1976, asking for an additional outlay of 600,000 dollars to replenish the Board's budget for that year to finance an enlargement of DINA personnel in various diplomatic missions of Chile, neutralise the ruling Junta's main opponents who had emigrated from Chile mostly to Mexico, Argentina, Costa Rica, the United States, France and Italy, set up conduits for communication with organisers of DINA operations in Peru, provide assistance to the Junta's supporters in the Peruvian Navy and press, and fund the training of officers of the National Intelligence Board at a training centre near the Brazilian town of Manaus.¹

What "neutralising" the opponents of the ruling Junta, which the DINA chief wanted to finance with an extra-large outlay, meant has been illustrated by a series of acts of terrorism, assassination attempts and killing of noted opposition leaders by Pinochet secret agents outside Chile. As the *El Excelsior* magazine wrote, following the coup

¹ According to the Mexican press, the fact of a liaison between the Chilean and Brazilian dictatorships is definitely established. Though invariably denied by the Brazilians, it has been confirmed by documentary evidence. DINA collaborators have their special training in Brazil.

on October 11, 1973, Pinochet decapitated the Popular Unity parties, banned all political activities, executed tens of thousands of members of centrist and left organisations, crushed working people's organisations and, to cap it all, having proclaimed himself in 1974 as the nation's lifetime President, started planning the destruction of any political force that could be in a position to challenge his dictatorial powers in Casa de la Moneda. Special emphasis was laid on criminal action abroad to eliminate potential opponents.

The first man to fall victim to this rabid political terrorism was, as we mentioned earlier on, General Carlos Prats, President Allende's close associate, who held the posts of Commander-in-Chief of the Land Forces, Minister of National Defence and Minister of the Interior in his government. The Pinochet plotters had forced Prats to leave the country soon after the coup. On September 30, 1974, he was savagely murdered in Buenos Aires by DINA agents who acted hand in glove with Argentine terrorists belonging to ultra-rightist groups. A bomb had been planted in Prats' car by "unidentified persons", who have never been found. "In an effort to promote a reactionary coup in Argentina," Volodia Teitelboim, member of the Central Committee Political Commission of the Communist Party of Chile, said, "the CIA and its agents had created such a situation in the country as to make the assassination commonplace. Availing itself of such a situation, the fascist Junta had projected an assassination attempt on General Carlos Prats González, Chile's former Minister of National Defence in Buenos Aires."¹

Then there was an assassination attempt on Bernardo Leighton, a prominent leader of the Christian Democratic Party of Chile and Interior Minister in the Frei government. Shortly after the coup Leighton moved to Italy to escape the Junta's persecution and became an acknowledged leader of representatives of the left wing of the Christian Democratic Party of Chile who had emigrated for political reasons, being opposed to the Pinochet regime. Within a month of the attempt there was a "round-table" debate in Rome sponsored by a democratic newspaper. Addressing it, Leighton, together with two more prominent politicians of Chile, urged Chilean patriots to press for the restoration of

¹ *L'Unita*, October 1, 1974.

the trampled freedom and violated justice. In the night of October 6, 1975, DINA agents assailed Bernardo Leighton and his wife Anita when they were returning home in Rome. Having shot them in the back of their heads, the "unidentified" killers escaped.

That was followed by yet another terrorist act by DINA: the savage assassination of Orlando Letelier, a prominent Chilean politician, on September 21, 1976. That former Ambassador of Chile to the United States, former Minister of Foreign Affairs, Interior Minister and Minister of National Defence in President Allende's government, was the first man of Popular Unity to be arrested in his office in the morning of September 11, 1973.

Pinochet, who knew him to be very popular, did not make bold enough to do away with him there and then. The Junta deported Letelier to the Dawson Concentration camp in a group of 35 prominent members of the Popular Unity Government. Soon afterwards Letelier was transferred to another concentration camp, Ritague.

The world community pressed for his release; several famous universities, including those in the United States, notified the Junta of their intention to employ Letelier. That worked: the Junta exiled Letelier from Chile to Venezuela. Subsequently, he applied for political asylum in the United States in the hope that he would have, at least, minimum security in the country where it had once served as ambassador.

In the United States Letelier went on exposing the Junta's misdeeds: he drew up petitions, granted interviews, wrote articles and pamphlets, spoke at public meetings to tell the Americans the truth about the crimes of the Pinochet clique, and worked hard to intensify the Junta's isolation and call a halt to the military and economic assistance to a criminal regime trampling under foot basic human rights.

On August 28, 1976, three weeks before his assassination, that acknowledged brilliant economist had an article published in *The Nation* fetching a widespread international response. With the force of irresistible logic, Letelier showed how Pinochet's policy, following the prescriptions of Friedman's Chicago Group, had entailed grave, virtually irreversible economic consequences and brought the nation to the brink of disaster. In short, the 44-year-old Letelier

appeared to Pinochet as a daily growing danger, as an opponent of the Junta and a fighter for democracy in Chile. What made the Junta uneasy, too, was Letelier's efforts towards promoting international solidarity with the Chilean people, in defence of political prisoners, and in a drive to build an anti-fascist front.

The Junta issued a special decree on September 11, 1976, to strip Letelier of his Chilean citizenship. Around that time he received a letter from one whom he had known for a long time and who was then very close to the military top leadership in Chile. "You should know," the letter said, "that the top leadership of the Junta is now considering whether you should be killed." A few days later Letelier was no more; he was killed in broad daylight in the centre of Washington by a bomb planted in his car by "unidentified persons".

This kind of escalation of assassinations outside national frontiers had been the practice of Hitler's Gestapo whose example must have inspired the DINA butchers.

Six months later, in April 1977, *The Nation* published an article under this headline: "This is How it was Done". In that article, Letelier's colleagues at the Institute of Political Studies, S. Landau and R. Stevens, basing themselves on information from official sources and on their own findings, drew a full picture of how that foul misdeed had been perpetrated.

As Landau and Stevens testified, the assassination was the job of reactionary elements from among the U.S.-based Cuban counter-revolutionaries.¹ The "operation" had been organised by a Pinochet secret police chief who had flown into Miami shortly before that. Others involved in that operation were DINA agents from the Chilean Embassy situated not far from the scene of the crime in the same street—Massachusetts Avenue. The DINA-hired Cuban terrorist counter-revolutionaries had arrived in Washington from Miami three days before the assassination of Letelier; one of them was an explosives expert who had his training with the CIA back in the 1960s. The CIA—the "godfather"

¹ The same version was suggested by *The New York Times* in an article "Cuban Exiles Are Reported Linked to Slaying of Chilean in Washington", with a note that this information had been received from a U. S. Government Intelligence source.—*The New York Times*, October 12, 1976, p. C 4.

of the Chilean secret police—did, of course, have a hand in it as well, it is impossible to imagine that the DINA bosses could have contemplated such a perfidious and dangerous crime on U.S. territory without having concerted their action with, or, at least, without informing the U.S. “cloak and dagger” service.

DINA acted with as much cold-blooded calculation in tracking down its victim as it would at home. Within a few months of the attempt, Letelier's wife—Isabel—had a phone call saying: “Is it you, the wife of Orlando Letelier?” “Yes.” “No, you're not his wife, you're his widow.”

One of the Chilean Embassy staff menacingly told Letelier in public: “Your action against the Junta may have unforeseeable consequences for you.”

The fuze of the bomb which killed Letelier had been placed, experts found, right beneath his seat, and its rather sophisticated design suggested it was not Chilean-made. It was set off by radio as Letelier's car was passing through Sheridan Square not far from the official residence of the Junta's Ambassador Manuel Trucco. Somebody was watching the car from a top floor window of that house and when it was a hundred metres away, pressed the button...

Finally, there has been additional evidence to prove that the actual executants of this act of terrorism had arrived in New York from Santiago on August 25 by a Lufthansa flight.

Such was the chain of events connected with that act of terrorism in the United States, upon authorisation from Santiago, which had subsequently given rise to some solid suspicion of CIA involvement. Some observers openly stated that the CIA which had been in anti-Chilean politics up to its eye-brows and had been ruling the roost in the Chilean military and intelligence establishment for two decades, could not be uninformed beforehand of the DINA plans to kill Letelier. *The Nation* wrote: “We have trained terrorists in our ‘counter-intelligence’ schools, we have armed them and filled their pockets. Now they are murdering in our national capital, and we shout our outrage for the world to hear.”¹

The inquiry into the circumstances of the assassination of Orlando Letelier caused some confusion in the U.S. inves-

¹ *The Nation*, October 2, 1976, p. 290.

tigation agencies, as the U.S. press admitted. It was the subject of a secret conference of the then CIA Director J. Bush with Justice Department chiefs. Although no details about that conference were reported, naturally, *The Washington Post*, referring to individuals privy to the inquiry, wrote that the "investigation" may have turned up sensitive information that the CIA might want to keep secret for "national security" reasons.¹

Referring to the reasons behind the slow progress of the investigation, the U. S. press found they were due to the fact that the matter at issue involved a number of uncommonly complex issues of intelligence practice abroad and meant that the CIA was doing its best to avoid compromising some of its agents abroad, or else, that the Chileans had a wealth of information about CIA operations in their country and could use it for blackmail.

Everything that was connected with the assassination of Letelier was so obvious that Senator Edward Kennedy (Dem.) even submitted a resolution in the Senate calling for a detailed FBI inquiry into the murder. But it was just as obvious that to rake up the issue was of no interest to certain influential U. S. quarters.

Here is a simple fact to prove that the assassination had been carried out in the knowledge of the U.S. secret services. Late in January 1978, the Chilean Junta declined the U. S. State Department's request for an interrogation of two Chilean servicemen J. Rose and A. Jara suspected of having been implicated in the murder of Orlando Letelier. A Junta spokesman in Washington declared that the Chilean authorities did not even know of the existence of those two Chilean citizens.

The Pinochet regime did not even find it necessary to explain how it had happened to know nothing about the existence of the two criminals although the U.S. State Department was in possession of an official request from the Chilean Ministry of Foreign Affairs, dated August 17, 1976, for entry visas for two Chilean citizens—John Williams Rose and Alejandro Romaral Jara. It transpired that those two were DINA agents who had arrived in the U. S. just to arrange the killing.

It is indicative that the U. S. authorities did not obstruct

¹ *The Washington Post*, October 9, 1976.

the arrival of Rose and Jara while knowing quite well that they had earlier attempted to get in with forged passports. In fact, never have the U. S. authorities been in any hurry to proceed with this investigation for all the evidence of direct involvement of the Chilean secret police in that crime. Even the State Department's request to the Junta for permission to "interrogate" Rose and Jara has been interpreted by American opinion as a red herring to stand for a semblance of Washington's interest in spotting the criminals.¹

So, the ruling Junta has had DINA as its main instrument throughout these years whereby to wreak violence on the best sons and daughters of the Chilean people. Under military rule, Chile has become a land of all terror and no rights.

The CIA is called DINA's godfather not without good reason. For one thing, because the CIA bossed the show in the Chilean military and intelligence establishments for decades. By the late sixties, the CIA, using well established connections with the Chilean internal security services and military and civilian intelligence agencies, employed them to collect information on foreign enterprises and organisations of interest to it as well as on Communists, Socialists and other progressive-minded elements in Chile, which were seen as jeopardising the positions of U. S. monopoly capital. For another, long before the coup the CIA, in conjunction with the Pentagon, had been training the prospective leaders of the Junta as well as the emigrants who were to become DINA's paid agents. Terrorists trained by the Central Intelligence Agency find their way even into the streets of New York as hired murderers, the U. S. press noted. Third, the United States, not without CIA co-operation, is directly involved in supplying the Junta with technology and technical facilities for use in all kinds of reprisals. The official Chicago commission of inquiry established, by witness accounts, that special U.S.-made torture instruments were widely used in Chilean jails and concentration camps. There were "foreign experts" to help the Chilean butchers learn to handle the equipment. The Chicago Commission's findings confirmed, as material evidence, in particular, that imported computers had been placed at the service of terrorism and repression in Chile. These keep a store of information on all

¹ *Pravda*, February 28, 1978.

Chileans involved in any kind of political activity. The processing of this input information serves to put the "verdict": death, imprisonment, exile, dismissal, denial of pension or political surveillance, pure and simple. All Chileans who had previously been to Cuba for over three months were taken into custody on the same day. Later on, all those who had stayed on the island for more than one month or for more than two months were also arrested on a single day. Where, it might seem, had the Chilean masters of inquisition obtained such thorough information, considering, besides, that many of their victims had reached Cuba through third countries? The Chicago commission with many facts to base itself on, stated that the traces led straight to the Washington Information Store which keeps this kind of material and which is open to the police services of any "friendly nation".

An analysis of the facts and figures about U. S. arms supplies, *The New York Times* wrote in August 1977, shows that the U.S. departments and corporations provide arms, technical assistance and instruction to police and para-military forces directly engaged in torture, assassinations and detention of dissenting citizens.

More light was shed on the DINA-CIA liaison by an unannounced visit by the DINA Chief, Manuel Contreras Sepúlveda, to Washington in August 1975. The earlier mentioned General Vernon Walters, the then deputy CIA Director, was authorised to arrange that visit and many other meetings with influential persons in Washington. The importance which Washington attached to DINA was demonstrated by the White House efforts to keep this visit secret and its refusal to allow a congressional inquiry into the matter.

Finally, the Junta put on yet another propaganda show in August 1977, not without its godfather's prompting, of course. DINA, which had terrified the country's population for four years in a row and unleashed a reign of tough repression and savage torture not only against Communists and others of the left, but also against members of the bourgeois opposition, including Catholic clergymen, was suddenly declared disbanded as having "accomplished its delicate functions". That sham performance was staged on the very day when the U. S. Assistant Secretary of State for Inter-American Affairs, Todman, the first high-ranking

envoy of the Carter Administration, arrived in Santiago for talks with the chiefs of the fascist regime. As *The Washington Post* explained, somebody in Washington was craving to "enhance the Chilean Government's image" and create a semblance of a "Junta beginning to respect human rights". This, the paper said, might be followed up by an extension of the official Washington-Santiago relations thus far running up against wrathful condemnation of the Pinochet regime by world opinion.

Now, what has become of DINA? On Pinochet's orders, DINA, which had "fulfilled complex functions of ensuring national security", was to be replaced by a so-called National Information Centre.

But for the change of names, there was no change at all, properly speaking. Everything remained as it was. Today's National Information Centre is a copy of yesterday's DINA: the same staff, the same "tools and equipment" for interrogation, the same torture chambers and concentration camps, the same sources of financing, the same direct subordination to nobody but the dictator and, finally, the same close alliance with the CIA.

The Times of London wrote in September 1977 that with four years gone the fascist-type dictatorship of Pinochet showed no intention whatsoever to change course and kept itself afloat only by means of terror. The paper also pointed out that the renaming of the National Intelligence Board was no more than a pompously staged farce.

So, by all accounts, the Junta, having changed the sign-board of its secret police, has left its essential repressive substance unchanged: its strategy is still one of ruthless terror and wholesale persecution of all Chilean patriots refusing to accept the policies of the dictatorial regime.

* * *

Today, years after the military fascist coup, people are still reported "missing" in Chile. There are more of summary arrests and imprisonment in total disregard for basic legal standards. The families of detainees are never informed of their whereabouts.

Repression may have become more selective and more disguised, but that has not made them any less cruel. A modification of punitive tactics to make them more subtle

does not mean that the dictatorship has become more humane.

There is hardly a family in Chile today that would not have some of its members either sacked or arrested, deported or tortured, no family left undisturbed. Repression is the only means the Junta knows of to counter discontent. It is to continue, as the self-styled fascist rulers conceive it, until the complete disappearance of all political and social conditions in Chile, which had once enabled the Popular Unity coalition to emerge and come to power.

The crimes committed by the Junta are incurring the wrath and indignation of the world community. Voices of protest against the terror of Pinochet and his lieutenants rang out even in the Organisation of American States which used to be dubbed a "U. S. Colonial Office" until quite recently. Representatives of Venezuela, Argentina, Colombia and Jamaica went on record against the acts of the Pinochet dictatorship during the Sixth Session of the OAS General Assembly in Santiago, June 1976.

The butcher generals were arraigned before the bar of public opinion in a debate on a report by an Ad Hoc Working Group, UN Commission on Human Rights, on the Situation of Human Rights in Chile, which was held in the UN General Assembly's Third Committee (Social, Humanitarian and Cultural).¹ The resolution on the "protection of Human Rights in Chile", which the Committee passed on November 23, 1976,² stated that the fascist Junta, defying the protests of the international community and numerous UN warnings, was persisting in the flagrant violation of basic human rights, having launched a campaign of terror and repression against the Chilean patriots and democrats. It was pointed out that the disappearance of people with political reasons behind it, summary arrests, banishment and deprivation of Chilean citizenship, imprisonment and detention in concentration camps without trial or investigation, torture and assassination remained everyday occurrence in Chile.

¹ The Chilean authorities barred out the Ad Hoc Working Group which was to have visited the country in accordance with its mandate.

² The resolution was passed by 98 votes to 14 (Argentina, Bolivia, Brazil, Chile, Costa Rica, the Dominican Republic, Granada, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay and Uruguay), and 18 abstentions (including the United States, the Federal Republic of Germany, France and Israel).

The resolution called on the Chilean authorities to restore and protect human rights and fundamental freedoms, lift the state of emergency, and immediately release those who have been summarily arrested or kept in the Junta's dungeons solely for political reasons.

The international community called, besides, for the prosecution of the hangmen of the Chilean people, above all, the agents of the Chilean secret police—DINA, responsible for wholesale reprisals and terror.

There was a large measure of support for the action by the Soviet delegation at the 31st Session of the UN General Assembly in demanding that terror and repression be stopped and all political prisoners released. The Chilean Junta, said the Soviet delegation's statement circulated at the UN, was trying to mislead the world community by claiming it was setting free nearly all political prisoners. It resorted to that trick just as the issue of terror, persecution, arrests and systematic human rights violations in Chile came up for debate in the United Nations.

In the face of universal condemnation, the Junta had to employ yet another propaganda device. It raised a fuss, seconded by some sections of the Western press, about what it called a liberalisation effort under way in Chile. The aim was to mislead world opinion by lying that there were no more political prisoners in Chile and that concentration camps had been closed down. In actual fact, the decision to release political prisoners, so much advertised by the Junta in the autumn of 1976, concerned as few as 304 persons and, what is more, almost 30 of those so released disappeared just a few days later.¹ They were all feared to have been destroyed.

The policy of intimidation continued. The Junta's own official sources said there were more than 6,000 prisoners still confined in jails and concentration camps at the time of writing. The detention camps the Junta closed down—and that only quite recently—were those (Puchuncavi and Tres Alamos), which had become notoriously ill-famed outside national frontiers having opened new ones instead. It still maintains the well-known DINA-controlled detention and torture camps as well as concentration camps, including Monte Maravilla, Bucalemu, Tejas Verdes, Colonia Dignidad,

¹ *The Financial Times*, January 27, 1977, p. 5.

Colina, the Dawson Island concentration camp, Villa Grimaldi, Colliguay and Cuatro Alamos...

Some more information about the Junta's policy of wholesale repression reached the world community through a letter written in October 1976 by a group of inmates of the Tres Alamos camp, not far from Santiago (the camp where the General Secretary of the Communist Party of Chile Luis Corvalan, was confined) and passed across the frontier. Describing the horrible conditions in that camp, the writers reported: "...Arrests go on, and so do the killings. Torture is the law over there."

The people of Chile have been indignantly protesting against the policy of massive reprisals. The policy document adopted at a conference of Popular Unity parties at the end of 1976 said: "Enough of blood, enough of hunger, enough of fascism! "

Even Pinochet himself, reviewing the domestic scene, admitted that 30 per cent of the people of Chile either adhered to communist ideology or were otherwise hostile to the government by their outlook. In that context he added menacingly that there would be no "softening" of the regime. The hangmen, having run amuck, were as faithful to that declaration of their chieftain as they are to imperialism.

An awful picture of violence, terror and torture reigning in Chile was drawn before the 33rd Session of the UN Commission on Human Rights.

On having examined the issue of systematic bestial torture in jails and the tragic disappearance of political prisoners in Chile, the Session strongly condemned the Pinochet regime's arbitrary rule in the resolution it adopted at Geneva early in March 1977. The victims of DINA terror, the report of the UN Ad Hoc Working Group said, could not even appeal for legal protection. Secret police agents are vested with unlimited powers—they are free to arrest, torture and execute people at their own discretion.

The report contained some facts of assassination of DINA's political opponents by its agents not only inside Chile, but in foreign lands as well. The dictator reacted to that disclosure by launching yet another round of monstrous reprisals in defiance of Chilean and international opinion.

A few hours after the news of the above-mentioned resolution reached the Junta, it reacted to it by renewing

the state of emergency and the curfew, and claiming it had uncovered an alleged plot involving two top leaders of the Christian Democratic Party.

Those moves, said Luis Corvalan as he summed up the political situation in Chile at the time, indicated that Pinochet and his clique were bent on following, cost what it may, their policy directed against all democratic organisations. They revealed the sum and substance of the regime's much advertised "liberalisation" and showed the tyranny to be unable to stay on in power without reliance on terror and emergency legislation.¹

Never before has the country had a state of siege imposed for so long. This is a weapon the fascist Junta is using against the people who hate it. It realises that it cannot retain power without trampling political freedoms and human rights.

The list of outlawed parties now includes—apart from those of the Popular Unity alliance—the Christian Democratic Party, the Chilean Social Democratic Party and the Radical Democratic Party. By banning the Christian Democratic Party, expressing the views of some working people, middle classes and a section of the bourgeoisie, whose interests have been hurt by the policy of the fascists, Pinochet is trying to do away with this party for having ventured on a struggle for the restoration of the democratic system and against the crimes of tyranny.

The Communist Party of Chile has expressed its solidarity with the Chilean Christian Democrats and the confidence that they will not allow themselves to be intimidated and will press on for an understanding between all anti-fascist forces to restore law and order in Chile.

There has been a stepping up of the heroic struggle inside Chile to save the lives of patriots and secure their release. A determination to put an end to the tyranny is spreading among a widening cross-section of the public, and, besides, among the Armed Forces. The United Workers' Centre of Chile (CUT) has called on working people's associations, governments and parliaments of all nations, all people of good will to join forces in an effort to get the fascist dictatorship to comply with the resolution of the 31st Session of the UN General Assembly, lift the state of siege, release all

¹ *Pravda*, March 16, 1977, p. 5.

the arrested political and trade union functionaries and restore human rights in Chile.

With every passing day, the dictatorship is sinking to greater depths of a political crisis, which sees it outreach itself in violating elementary human rights, and sticks to an economic policy condemning the vast majority of Chileans to hunger and privation, leading to an industrial and agricultural recession and encouraging black marketeering. Faced by a crisis of such a scale, fascism has become even more aggressive.

The Communist Party of Chile has been badly hit more than once, but its organisations have been preserved and are now in operation all over the country, and, what is more, it continues to fulfil its leading role. Our Party and young Communists know, Luis Corvalan declared, that they have to be on the look-out at any moment, to act so as to leave no trail for secret police to pick up, to be able to see through the enemy's ploys, reinforce the structure of their organisation, maintain a high sense of revolutionary vigilance to stop any hostile agents penetrating their ranks, while stepping up the struggle, organising the mass action, consolidating Popular Unity, and co-ordinating the activities of all anti-fascist forces.

The political crisis in the country, the growing divisions inside the ruling group and the struggle of the mass of the people can help alter the situation. The task of primary importance is to put an end to the fascist dictatorship and establish a new democratic system. The battle for democracy is the main issue which brings all Chileans together. The Communist Party of Chile has called on the Chilean patriots to do everything within their power towards ending the repression and creating the conditions for the present situation to be fundamentally changed.

In mid-June 1977, a group of Chileans called a hunger strike in Santiago to protest against the arbitrary rule of the fascist Junta. Under pressure from a large cross-section of world opinion, the United Nations Organisation and its Secretary-General Kurt Waldheim, Pinochet had to grant the demand of patriots to be informed of the fate of their relatives—political prisoners whom the military fascist regime had declared "missing". Besides, the Chilean authorities promised not to apply repressive measures against the hunger strikers. As *The New York Times* pointed out,

"Pinochet was forced to retreat, although a little". His consent to give information about the political prisoners whose relatives were on a hunger strike was one of "minor gains, indeed, compared to the continuing repression and misery of the great Chilean people".¹

Many Chilean political prisoners, considered "missing", are being kept by the fascist regime in secret concentration camps and savagely tortured. A great number of them died. Searches, round-ups and arrests go on unabated. The blood-thirsty regime persists in acts of terrorism and violence against those who show their resentment of its anti-popular policy. *El Mercurio*, a daily loyal as ever to the fascist regime, reported that around 40 people were arrested in Nuble Province early in October 1977. The first arrests were made there just on the eve of that year's anniversary of the 1973 military coup, yet it took the authorities three weeks to announce them. Some of the prisoners were released, but 12 persons, whose names have never been officially disclosed, remained behind the bars. The paper asserted that some of them were members of the outlawed Socialist Party of Chile. The detainees, handed over to the military authorities, had been students of the local university whose rector had recently declared that its students were engaged in underground political activities.²

The Fifth Session of the International Commission of Inquiry into the Crimes of the Military Junta in Chile, held in Algiers on January 27-29, 1978, unanimously approved a final document exposing the system of violence and terror, arbitrary practices and utter disregard for the rule of law, upon which the Pinochet regime based itself. On behalf of the international community, the Commission called for an end, first of all, to illegal arrests and the criminal practice of spiriting away the people who are subsequently declared "missing". It insisted on the immediate release of those of them who were still alive and on the publication of the full list of those who have "disappeared" or perished in dungeons.

The Commission also demanded the release of all political prisoners condemned by emergency military tribunals. All those responsible for assassinations, torture and other hideous crimes must be severely punished, the document

¹ *The New York Times*, June 24, 1977, p. A 27.

² *El Mercurio*, October 1977.

said. The Algerian session urged the international community to take action towards intensifying the political and economic isolation of the Junta and cutting off arms supplies to Chile.

Speaking at the closing press conference, the General Secretary of the Communist Party of Chile, Luis Corvalan said: "What happened in Chile had earlier happened in Europe,—fascism attacked Communists first, and then swooped down on all democrats. Political terror and the anti-popular economic and social policy of the Junta, which has a whole nation groaning under its heel, are the factors that objectively lead to closer co-operation between the partisans of Popular Unity and the Christian Democratic Party. There is a growing number of points on which we have convergent views and closer understanding. Fighting in common means winning in common."¹

Another document, a report submitted by the Ad Hoc Working Group investigating human rights violations in Chile to the 34th Session of the UN Commission on Human Rights, which met in February 1978, listed such facts as the disappearance of thousands of prisoners without a trace, with the Chilean authorities refusing to disclose any information about their fate, the absence of constitutional guarantees of human rights, arbitrary arrests, torture, banning of political activities, systematic persecution of persons suspected of opposition to the regime. The Ad Hoc Working Group expressed profound anxiety over reports of wholesale arrests and deportations made in Chile in January 1978.²

Representatives of the United Workers' Centre, urged progressive section of international opinion—in a statement published in the foreign press—to step up their solidarity with the Chilean people. They demanded that the fascist Junta stop illegal arrests and summary detention, halt reprisals and clear the ground for the restoration of freedom and democracy in the country.

"The Central Committee of the Chilean Communist Party meeting in August 1977, for the first time after the fascist putsch, pointed to the need to challenge the Junta and its patrons by the close unity of all patriots and democrats.

¹ *Pravda*, February 1, 1978.

² *Pravda*, February 17, 1978.

The dictatorship, it was stressed, could be overthrown only by united action of the Chileans themselves who are joining the struggle more and more actively."¹

The action of the world progressive forces in support of the Chilean people, which has developed into a sweeping international movement, has saved the lives of many patriots and compelled the fascist Junta to set free the General Secretary of the Communist Party of Chile, Luis Corvalan. That was a great victory for the democratic sections of world opinion and, above all, for the CPSU, the fraternal parties of the countries of the socialist community and the international communist movement, and a demonstration of the great force of proletarian internationalism and working people's solidarity. The broad movement of international solidarity has all along inspired the Chilean patriots to fight on. This solidarity is helping them hold out in the hardest imaginable conditions—whether behind the bars or deep underground. "Internationalism has acquired new significance for millions of Chileans," the Central Committee of the Communist Party of Chile noted at the Plenary Meeting. "More and more people highly appreciate internationalism as a great material force."²

Leonid Brezhnev expressed the feeling of the entire Soviet people when he said, while meeting Luis Corvalan free from detention: "We shall continue to give invariable support to your Party and to the anti-imperialist forces of Chile in the battle for the restoration of freedom and democracy in your country." The Soviet people, all true friends of Chile, feel sure that the day will come when the Chilean people will take their country's destinies back into their own hands.

¹ See *New Times*, No. 42, 1977, p. 14.

² Ibidem.

AFTERWORD

Following the victory of the heroic Cuban revolution, which brought the people to power and took the Latin American liberation movement a stage ahead, the emergence of Popular Unity government in Chile was a further sign of mounting pressure for revolutionary change and of a prospect arising for such change to be made by peaceful means.

U.S. imperialism, aware as it is of the insecurity of its position, has launched a counter-offensive against the continent's democratic forces.

The annals of history record that revolutions have not always or at once been victorious. Yet the unsuccessful ones did offer instructive lessons for the peoples to learn so as to master the art of fighting and winning. Speaking at a Havana public meeting in January 1974, Leonid Brezhnev said: "...None of the lessons of the past are lost. And the experience of the advent to power of Popular Unity parties in Chile will undoubtedly be put to use by the fighters for freedom and national independence."¹

For over a decade Chile now has been holding the attention of all progressive humanity. In recent years this has found expression not only in the surging worldwide movement of solidarity with the Chilean patriots in battle against the fascist regime, but also in a close scrutiny and thorough

¹ L. I. Brezhnev, *Following Lenin's Course*, Progress Publishers, Moscow, 1975, p. 369.

study of the revolutionary experience of the heroic people of Chile keeping up the glorious traditions of class struggles.

The Communists of the whole world, and above all, the Communists of Chile have done much in analysing comprehensively the experience of the Chilean revolution, its general and particular features, the theory and practice of the struggle of revolutionary forces, so as to make the lessons of 1970-1973 clear and open to the international Communist and working-class movement.

"What is absolutely indispensable," the Communist Party said in its Address to the Chilean people on October 11, 1973, "is a critical analysis and self-critical appraisal of almost three years' record of Popular Unity Government. That was a period of some important change as well as some serious mistakes."¹

Both the achievements of Popular Unity Government and the left forces and the causes behind the temporary defeat of the revolution have been thoroughly examined in the documents of the Communist Party of Chile and in the articles of its leaders, as well as the leaders of the Socialist Party, published since the fascist coup.

The General Secretary of the Communist Party of Chile, Luis Corvalan, speaking of the lessons to be learned from the Chilean revolutionary process, wrote: "Whatever the specific features of the Chilean revolution—and like any revolution it has many—not one of the fundamental theories of Marxism-Leninism can be placed in doubt in the light of this experience. On the contrary, our experience confirms them. A deep-going and thorough analysis of the Chilean process as a whole indicates that the general laws of revolution remain valid. The successes we achieved were due rather to the application of these laws, and our failures to their underestimation."²

The Chilean revolution, although suppressed, was an even of truly worldwide importance. Its temporary defeat does not disprove the theoretically grounded possibility of winning political power without resorting to armed struggle.

The steadfast fight which went on for 1,104 days, involv-

¹ *Kommunist*, 1973, No. 15, p. 95.

² Luis Corvalan, "The Unarmed Road of the Revolution: How It Worked in Chile." In: *World Marxist Review*, January 1978, Vol. 21, No. 1, pp. 33-34.

ing pitched class battles, furnished "the first example of 'peaceful' revolutionary development over a long period"¹ which had become possible, as the Communist Party of Chile has underlined in its documents, not only because of the country's specific conditions but also as the result of the far-reaching change in the international arena, above all due to socialism having developed into a potent factor of progress.

The transcendental significance of the experience of the Chilean revolution, said the General Secretary of the Socialist Party of Chile, Carlos Altamirano, consists in having set the task of building socialism.² Guiding themselves by the idea of socialism, the Chilean Communists, acting in alliance with the Socialists and other revolutionaries, roused the working class and all working masses of the country to fight a self-sacrificing battle for genuine freedom and national independence. They gained an immense achievement by having established a Popular Unity coalition which, having created a favourable balance of forces for the development of the revolutionary process, succeeded in bringing to power, without recourse to arms, the government of President Salvador Allende, which carried through a series of important social changes in the interest of the working people.

The nationalisation of the extractive industries and banks, the accentuation of the agrarian reform, the establishment of a public sector in the economy which laid the foundations for the country's independence and sovereign development, the democratisation of political life and the advancement of science, the arts, culture and education were all gains of historic importance. It is only by carrying the revolution forward and by dismantling the old anti-democratic structure that these gains could be consolidated and the course set towards the actual achievement of socialism.

The victory of Popular Unity did not give the working people full political power. The peculiar aspect of the Chilean revolution, Carlos Altamirano pointed out, consist-

¹ B. Ponomarev, "The World Situation and the Revolutionary Process." In: *Lenin and the World Revolutionary Process*, Progress Publishers, Moscow, 1980, p. 253.

² *Dialéctica de una derrota*, Mexico, 1977, p. 60.

ed in that it posed and attempted to resolve, in practical terms, the problem of altering the class substance of a bourgeois state while leaving the major instruments of power in the hands of the bourgeoisie. It was presumed that executive authority in Chile was fundamental to ruling the society and, relying on it, it was possible to win full power.¹ It turned out, in actual practice, however, that executive authority lost its dominant position if the rest of the machinery of State, above all, that of *repression*, remained under reactionary control. The result was that the rule of law, which the progressive forces had intended to use against any illegal action by the bourgeoisie (as they did, in fact, at the outset) turned into a "strait jacket" for the revolution.²

While retaining its position within the administration set-up which was left untouched by the process of change, as well as in the repressive system, reaction, as the events in Chile demonstrated, was whittling away the government's chances to act within constitutional limits. At the same time it undertook illegal counter-revolutionary action which went unpunished. That is precisely why every step the Popular Unity parties took to extend and deepen the revolutionary process and change the power balance in favour of the masses, ran up against the aggressive hostility and fierce resistance of U.S. imperialism acting in close alliance with the most avid and cruel sections of the country's financial oligarchy.

The policy of confrontation, which U.S. monopolies and Administration had pursued over a long period of time with regard to Popular Unity, aiming to undermine the Allende government's ability to run the country and get him removed from office, had been worked out by the CIA and the State Department on direct orders from President Richard Nixon and approved by the National Security Council. In his reply to an inquiry from the Senate Select Committee about U.S. involvement in the Chilean events, Nixon admitted in March 1976 that he had given a straight order to the CIA to prevent the 1970 election of Salvador

¹ Ibid., pp. 39, 40, 47.

² "Reflexiones críticas sobre el proceso revolucionario chileno." In: *Boletín Informativo del Partido Socialista de Chile*, S. I., 1974, No. 4, pp. 22-23.

Allende, candidate of democratic forces, and his accession to power. That was followed, as we mentioned earlier on, by the CIA leadership's directive to its Santiago Station to "seek a military solution to the problem" so as to cut short and crush the Chilean revolution.

It was not easy for the bosses of the multinational companies and representatives of big business, with interests in Chile, to attain that criminal objective. One fact to prove it was that the U.S. ruling circles had employed the whole array both of traditional and novel tactics and methods of secret war against the Chilean people, which had been developed in the course of several decades and tried out in many developing countries more than once. Moreover, U.S. imperialism had turned Chile into a testing ground, in the full sense of the term, for a full-scale try-out of these subversive tactics and methods under the baton of an outside conductor. Much of the effort consisted in action severely affecting the economy which had been heavily dependent on the United States for years as far as the sources of financing and supplies of machinery and equipment were concerned.

The National Security Council, having mapped out the general political course to follow in respect of Chile, set about dividing the areas of responsibility for the implementation of individual aspects of centralised anti-Chilean policy and sections of a single programme of subversive action between appropriate government agencies, with the leading role left to the CIA, the Pentagon and the State Department. So, all the principal elements of the U.S. federal machinery were involved in the process of preparing the military fascist coup, while the major decisions connected with criminal intervention in Chile's internal affairs were taken by the supreme bodies of power with the direct participation of the President and the Secretary of State. "The White House played the main role in all that business... All instructions came from Kissinger and the 40 Committee," the then intelligence chief of the U.S. State Department, Ray Cline, admitted.¹

U.S. companies, including ITT, Pan-American Airways, and W. F. Grace Co., to mention just a few, imperatively urged the U.S. Administration to intensify action in respect of Chile and, on their part, did their utmost to assist it

¹ *The New York Times*, October 17, 1974, p. C 9.

in this. Long before the tragic events, they had undertaken to supply a whole group of American spies—"specialists on Chile"—and provide them with cover, thereby turning their representative offices in Santiago into the strongholds of the CIA and other U.S. intelligence services. The position of U.S. companies was decisive in shaping the U.S. Administration's anti-Chilean policy.

The newborn and yet fragile Popular Unity Government of Chile was confronted by an experienced, artful and merciless enemy disdaining no means, not even fascism, in a bid to ward off the danger to its imperialist interests.

Having failed in its attempt by every kind of political scheming, bribery, blackmail, the assassination of General Rene Schneider, to stop Allende coming to power, U.S. imperialism set in motion the mechanism of distabilising, that is, "shattering" the regime with the same ultimate objective of its neocolonialist policy—the overthrow of the Popular Unity Government.

Seriously worried by the likelihood of losing sources of raw materials, strategic positions and vantage-grounds for investment, the United States was carrying on uninterrupted full-scale subversive action of an unprecedented scale all along the line, right from the day of the presidential election all the way up to the overthrow of the Popular Unity Government. The programme of pre-planned subversive action, adopted by the U.S. ruling establishment and co-ordinated from a single centre, covered the economic, political and military aspects of Chilean life. U.S. government agencies were allowed to take any action to accelerate the economic crisis, thereby bolstering up home-grown reaction and permitting it to hold ground in the face of Popular Unity.

In short, all imaginable courses of action were used.

First, there was the suspension of assistance and credits, outside "military assistance", moves to raise obstacles to any reconsideration of the terms of foreign debt service payments, an undeclared economic blockade; sequestration of copper, suing the Chilean missions in the copper importing countries, blocking the supply of spare parts essential to normal industrial activity, an outflow of hard currency, robbing Chile of foreign exchange earnings and, finally, the launching of a large-scale anti-government big lie and slander campaign outside Chile's frontiers—were designed to bring pressure to bear on the Allende government from without, cut Chile off

from the rest of the world and strangle her economically.

Second, such moves as the organisation of anti-government demonstrations and action, incitement of individual groups of population to put forward economic demands obviously impossible to meet, financing the strikes of truck owners, taxi-drivers, physicians and high-paid personnel of copper and saltpetre mines, involvement of underground counter-revolutionary groups of the Patria y Libertad-type, as well as leftist and right extremists in a confrontation with Popular Unity, subsidising and abetting their terrorist and subversive activities, stimulation of the black market, drain of capital, hoarding up essential products and consumer goods, disruption of raw materials supplies to the public sector enterprises and extensive misreporting as a way to oppose the government—were designed to unbalance the normal functioning of the economy, undermine the country's political structure, create a situation of chaos and anarchy, whip up fears and support the movement of "civil disobedience".

Third, financing the mass media in the hands of Allende's opponents, including the leading reactionary newspaper *El Mercurio*, which had become the major vehicle of anti-government propaganda, the setting-up and financing of various groups which broke away from Popular Unity, infiltrating agents into the government's machinery, financing trade union splinter groups, active interference in municipal, local and national parliamentary elections, reducing left representation in municipal bodies and parliament through support, including financial, given to the opposition candidates, finally, the rallying of all opposition forces—were designed to prevent the maintenance of the unity of revolutionary forces, enfeeble the Popular Unity coalition, cause divisions inside it, set it at loggerheads and sow the seeds of mistrust in the Allende government.

Fourth, planting their own men in the officer corps of the army and Carabineros as well as in the intelligence and counter-intelligence agencies were aimed at widening the gap of suspicion and misunderstanding between the left parties and the Armed Forces, and at pushing the military into staging a counter-revolutionary coup.

Enough evidence is available today to form a judgement of yet another course of action. To be in a position to collect information on the Chilean domestic situation, maintain contacts with the political opposition to the

Allende government and supply its allies in Chile with money, the United States kept up political links and diplomatic relations with that country. Conducting dead-end talks by U.S. government officials on the renewal of credits and loans to Chile also served as an instrument of political spying. That was a tactical device: the negotiations were an additional channel for the United States to get *information* on the viability of the Allende government and on its capacity to resist pressure from outside—the CIA needed it to be able to adjust the action of opposition forces.

In short, everything was set in motion—economic, financial, diplomatic, military and ideological instruments of pressure, and that was done with a thorough, far-reaching and hard-hitting approach the like of which has never been seen throughout the perennial record of unscrupulous U.S. interference in foreign affairs. With the Popular Unity Government in office, the Chilean revolutionaries acted with irreproachable courage, often displaying a great skill and flexibility in fighting against a strong enemy. That was precisely the reason why, forced into incredibly difficult conditions, the Allende government, comprising as it did a large number of distinguished specialists brought round to Popular Unity, succeeded in ensuring the normal functioning of the country's economy and in carrying through important social reforms to the benefit of the people.

The development of the revolution in Chile which jeopardised the very existence of the foundations of the capitalist social system in that country could not but invite desperate resistance from the forces of reaction. This logical consequence of any revolution was well realised by the parties of the Popular Unity alliance, just as which forces were behind the local counter-revolution, who backed them up and guided their activities so as to prevent a freely elected government from coming to power and overthrow it when it did.

At yet the left forces lacked unity and determination in fighting a strong and vicious enemy. The Popular Unity coalition was divided on measures to counter the enemy's offensive. That must be the reason why, for example, although President Allende had warned many times that the Popular Unity Government would react by revolutionary violence to counter-revolutionary violence, that was something that never occurred in actual practice. There was, instead, some

tolerance of the enemy's excesses in spite of the fact that the foreign-backed reaction, striving to crush the revolution by fire and sword, was resorting more and more often to armed struggle in forms of astounding savagery while the rightist press openly urged the overthrow of the Allende government.

The change of the overall situation and those of the tactics of the class enemy made it imperative for the Popular Unity parties to show a high sense of vigilance, review their tactics and undertake more resolute action to curb the subversive activity of their enemies and mobilise the largest mass of the people for defending the revolutionary change and the rule of law which was flouted by reaction. "Democracy," said Pedro Rodríguez, member of the National Leadership of the Communist Party of Chile, "must serve the people and not allow freedom of action for the counter-revolutionary forces. That is, life has taught us, one of the absolute conditions for defending revolutionary gains."¹

However, raids, arsons, explosions, panic-raising rumour-mongering and other terrorist crimes against the State, committed by the forces of reaction with a view to overthrowing the government, as well as the avowedly hostile activities of fascist organisations were not resisted by the Popular Unity Government in an organised and effective way.² Moreover the belligerency and truculence of the forces of reaction caught it by surprise quite often. Since the intelligence and counter-intelligence services had not been purged from elements hostile to the new government, nor made to work well, it proved impossible to uncover the main hotbeds of counter-revolution and stamp them out before it was too late.

For a long time the commanding posts in the army and police were filled by people who shirked their duty. The government was unaware of the mood, let alone the designs, of many categories of senior officers (the Pinochet case was, although most telling, not the only one of its kind by any

¹ Pedro Rodríguez, "Defending the People's Power." In: *World Marxist Review*, 1977, No. 6, p. 55

² R. Castillo was quite right in emphasising that "violence is part of every path to power by the working class and the people. But violence need not mean recourse to arms. It will depend on the character of the resistance offered by the reactionaries, or more precise, on the character of the resistance they could offer." R. Castillo, *Lessons and Prospects of the Revolution*, Prague, 1974, p. 30.

means), which attests to a "monstrous failure of the security agencies crammed by plotters".¹

Analysing the reasons for the defeat of the Chilean revolution, Luis Corvalan wrote: "Both as Popular Unity and as government, we made two types of mistakes: rightist and leftist mistakes which largely overlapped, fed and conditioned each other... The main rightist mistake was the weakness which we showed by tolerating and not impeding the enemy's subversive activities and its abuse of the constitutionally codified freedoms."²

The miscalculations of Popular Unity and the government in their military policies had some serious consequences for the fate of the revolution, Luis Corvalan pointed out.³ The Chilean experience made it abundantly clear that a revolution, as Lenin said, must "learn to defend itself". The classics of Marxism-Leninism always attached great, indeed, paramount importance to the problem of creating revolutionary armed forces to defend revolution. The Chilean revolution is known to have had no real revolutionary people's Armed Forces either in the shape of workers' squads, workers' guards, armed combat groups or detachments of Communists and Socialists.⁴ It were the Armed Forces that kept—and most zealously at that, a monopoly of the arms.

Meanwhile, the U.S. ruling quarters, frightened by a feasible prospect for the left to come to power in Chile, staked, back in 1964, on the Armed Forces which were distinguished by their rigid hierarchical structure and possessed great strength in terms of fire power, mobility, communication facilities, specially trained for repressive action and equipped with a well-oiled intelligence service. Considering the class character of the Chilean Armed Forces, these quarters had always regarded them as a guarantee of preserving an economic and social structure in the country to benefit the United States and as an instrument whereby to defend the interests of the oligarchy and

¹ V. Teitelboim, *Más sobre el caso chileno*, Moscow, 1977, pp. 26-

27. ² Luis Corvalan, *New Battles Lie Ahead. Selected Articles and Speeches*, Moscow, Politizdat Publishers, 1978, p. 457 (in Russian).

³ Ibid., p. 460.

⁴ M. Kudachkin, *Experience and Significance of Chilean Revolution. "Lessons of Chile"*, Nauka Publishers, Moscow, 1977, p. 19 (in Russian).

imperialism. The heightened interest in a closer relationship with the Chilean military and in "taming" its officers most of whom gravitated towards the propertied classes was shown in the years of Popular Unity government, too.

The "military assistance" programme for Chile was the best thing ever to suit the strategy and tactics of U.S. imperialism.¹

All this opened up an opportunity for the officers of both armies to mingle and establish a close relationship, which the U.S. military and intelligence agencies used not only in order to promote the "traditions of like-mindedness" and caste community but also for a systematic and intensive ideological indoctrination of Chilean officers, their "brainwashing", in fact.² Personal contacts of U.S. servicemen within the Chilean Army itself as well as their communication with Chilean officers outside that country were to become, according to the U.S. intelligence concept, part of the system of operational control of the military's "non-intervention" or well-timed "intervention" in politics.

All these factors, put together, permitted the United States, on the one hand, to keep abreast of the secret intentions and designs of the Chilean military³ and, on the

¹ A French sociologist Alain Joxe, the author of the book *The Armed Forces in the Political System of Chile*, having made a step-by-step analysis of American "military assistance" to Chile, arrived at the conclusion that it had been at its highest degree of intensity in the first half of the 1960s, that is in the period when Chile, just like all other countries of Latin America, was coming under the growing influence of the example of the Cuban revolution and the 1963-1964 election campaign was getting into full swing in the country itself. "Everything went on," he wrote, "as if U. S. assistance were destined to balance the possibility of a political shift in the country and to increase the external dependence of the Armed Forces' budget."—Alain Joxe, *Las fuerzas armadas en el sistema politico de Chile*, Santiago, 1970, p.108.

² A noteworthy remark to this effect was made by General Prats in his diary: "...Neither President Allende nor the Popular Unity parties know how great the U.S. influence is on our Armed Forces and, more particularly, on the minds of the Chilean military. This one-way influence, which I wanted to restrict or, at least, check by extending our links with other Western countries and even with the socialist bloc, may play a super-negative part in future events." In: *Latinskaya Amerika*, 1978, No. 5, p. 204.

³ "While the Allende government was in office, the United States maintained a close relationship with the Chilean Armed Forces both through the CIA and through military missions. The main object of

other, to ensure the creation of dependable and effective channels, whereby to influence them subsequently, when the Armed Forces would have to assume a "liberating mission" and the role of the principal instrument of suppressing the revolutionary movement. Meanwhile, the Chilean Armed Forces' growing dependence on the United States' "military assistance" in arms supplies brought them into still greater submission to U.S. imperialism.

Right-wingers, exploiting a strong conservative sentiment in the Armed Forces fixed hard by perennial and unremitting anti-communist propaganda, and also the fact that left parties had not managed to achieve a full unity of views on ways to win the military over to the revolution, were falsifying and distorting—in every way and with a lot of advantage to themselves—the standpoint of the Communists who saw the supreme patriotic sense of the Armed Forces' action in close co-operation with the working masses and in converting them into a factor for social change.

In the course of that CIA-projected and co-ordinated political campaign, the forces of reaction, trading on the reckless ventures of leftist groups, with paid agents of U.S. intelligence agencies very active among them, and identifying their position with that of all the Popular Unity parties, managed to make it out that the Allende government planned to abolish the standing army and replace it by workers' militia, and that the Armed Forces were facing the option of either acting by themselves or allowing themselves to be attacked by the supposedly existing paramilitary detachments of Popular Unity. The conclusion was self-evident: the officers, socially connected as they were with the middle classes resentful of the Allende government, would have to face the final loss of their privileges and of an end to all hopes they had ever pinned on their military career. So, by striking at the most sensitive spots and thereby intensifying the officer's feeling of fear of the left forces, the sponsors of the coup were to achieve the main objective—create an excuse for the Armed Forces to act on the side of

this relationship was to gather intel. information on any disposition inside the Chilean Armed Forces to act [against Allende—F.S.]. However, U. S. representatives were authorised to influence the Chilean military and approve generally their [anti-government—F. S.] activities but not to promise U. S. support for a military effort that might be premature." In: *Covert Action in Chile, 1963-1973*, p. 88

counter-revolution and thereby speed up the showdown.

Attempts of that kind were but feebly resisted by the Popular Unity parties which found no effective ways of influencing the Armed Forces, democratising them, winning patriotic elements over to the revolution and extending their ranks, isolating the putschists, and consolidating co-operation with patriotically-minded servicemen who realised that the problems facing Chile could not be resolved without ensuring the nation's economic independence and accomplishing the social tasks in hand. There was no constant or consistent propaganda work to cultivate the popular movement's proper attitude to the military. Although President Allende had maintained contact with the officer corps, particularly with the generals, for quite a long time, by and large there was no effort to make the military realise that the revolution, contrary to the slanderous assertions of reactionary elements, did not mean to scrap the Armed Forces as such unless they opposed the will of the people; that they would be needed to ensure the nation's territorial integrity and were called upon to play a new, very important and honourable role in a battle to rid the nation from foreign dependence and do so, with particular success, within the framework of a process of change.¹ The enemy, on the other hand, was constantly operating within the Armed Forces.

Shortly before the coup, the Communist Party had warned the people about a worsening situation in the Armed Forces, but that was a belated warning. Destruction of patriots in the Armed Forces had begun. In practical terms, the Junta had first made its coup in the Armed Forces before making the coup d'état. That was the so-called army purge carried out by a typically fascist method.²

In those circumstances the counter-revolutionary group in the Armed Forces, supported by local monopolies and transnational corporations, got the upper hand by neutralising such distinguished representatives of its patriotically-minded wing as General Prats and Pickering, and compelling them subsequently to resign. (Prats saw his resignation as a prelude to a coup d'état.) Let us note, to

¹ *Latinskaya Amerika*, 1977, No. 3, p. 79.

² M. Kudachkin, A. Borisov, V. Tkatchenko, *Chilean Revolution, Experience and Significance*, Moscow, Politizdat Publishers, 1977, p. 106 (in Russian).

complete the picture, that a certain section of high-ranking servicemen and other officers had been involved in the plot by trickery, contrary to their democratic convictions, and they became objects of cruel repression afterwards.

The initiative in sponsoring an armed counter-revolution was taken by Chilean generals, well familiar to the CIA and the Pentagon, who had entered into a direct collusion with the forces of external and internal reaction. Everything was subordinated to one objective of seizing power by a lightning strike and, to this end, the plan was to bring the full force of terror down on the supporters of Popular Unity, while at the same time preventing any action by any regular military units in the government's defence. Even before the storming of the presidential palace began, the enterprises supplying the capital with electricity, gas, and water had fallen into the Junta's hands. It took the military just about one hour to get hold of the media facilities while the Palace was cordoned off. Within a relatively brief space of time the military occupied all of the country's key strategic installations—bridges, ports, airfields, telephone exchanges, and even many diplomatic missions found themselves cut off from the outside world.

Right from the outset there was practically no possibility of mobilising the working class and the rest of the people in defence of the government. No operational plan had been worked out to suppress a possible attempt to stage a counter-revolutionary coup. That is why September 11, 1973, the day when the imperialist-backed fascist reactionaries launched their rebellion, caught the revolutionaries unprepared for armed defence, which enabled the traitor generals to win a fairly quick victory that was to bring a great national tragedy in its wake.

Speaking of the miscalculations in dealing with the army problem, V. Teitelboim said: "It must be admitted that in our policy we did not give it the attention it deserves. Illusions were widely held about the professionalism and neutrality of the Armed Forces, their loyalty to the law and non-participation in politics. This was so, but it was secondary and dependent on the correlation of forces. One should never forget Lenin's warnings or underestimate the class character of the army. There is no such thing

as an army outside the State or outside politics.”¹

Nevertheless, the Chilean experience makes it abundantly clear that the action of the Armed Forces as a “single institution” against Popular Unity was not fatally inevitable. Moreover, under favourable circumstances, that could have been a different process which could have increased the influence of progressive forces on the Armed Forces² and, consequently, could have precluded the possibility of losing control over them and allowing them to be used to defeat the revolution. In short, the Armed Forces can move either way under different circumstances—from extreme left to fascist. Everything depends on the particular alignment of forces in a country, on the bearings taken and targets pursued by political organisations which will have succeeded in keeping the Armed Forces under their control.

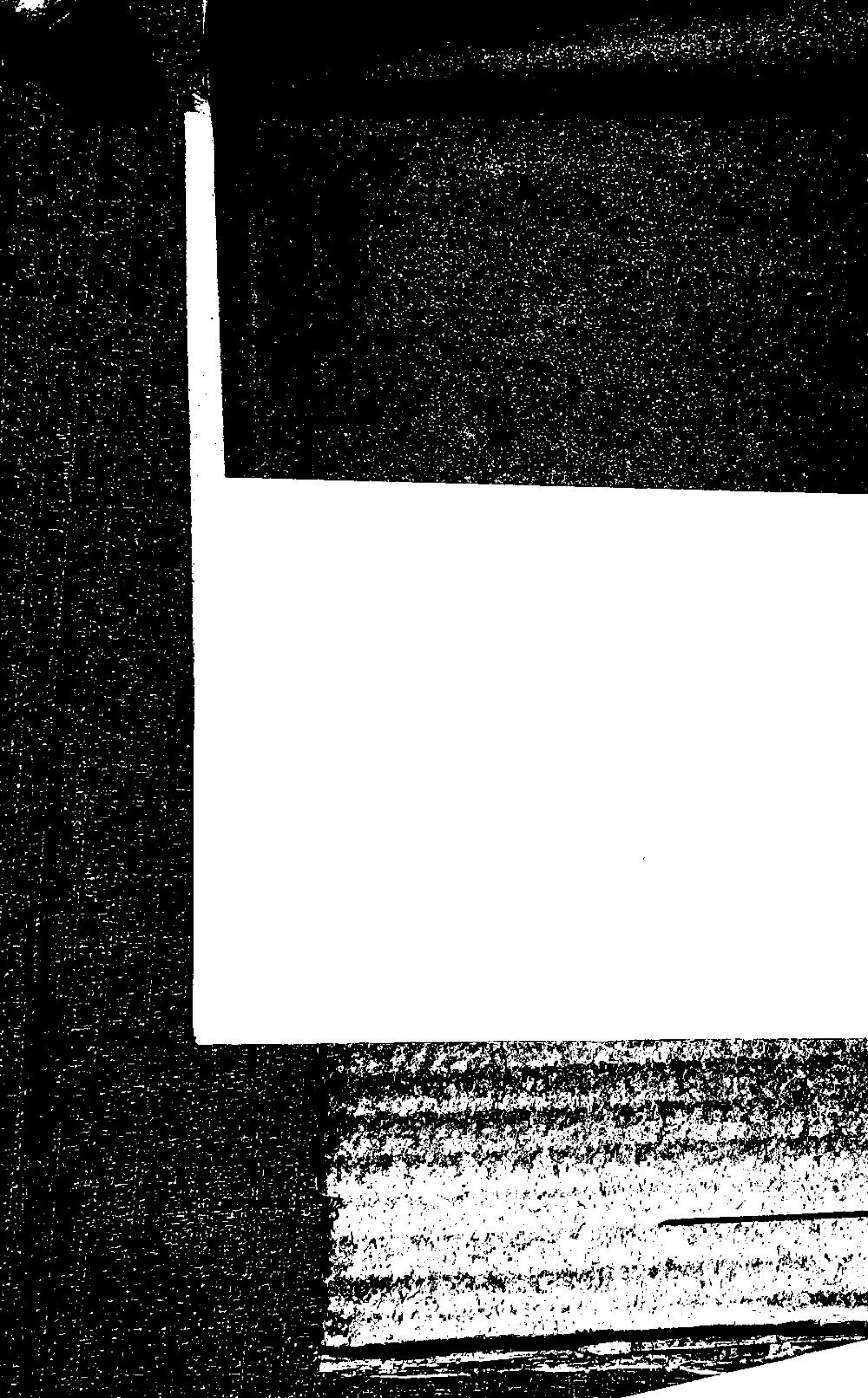
The events in Chile conclusively proved that imperialism disdains no means and does not stop short of anything to obstruct an onward movement of nations on course for independent development. To achieve this, it can resort to any kind of action whatsoever which is fraught with a serious danger to the cause of peace and the security of nations.

Yet there is one more thing the Chilean experience has proved: no reactionary force, not even an extreme one, can suppress a full-scale democratic movement whose cohesion and unity have been growing closer from day to day. With the world balance of power as it is, and the influence of socialism rising, the military fascist Junta, though strongly supported by U.S. imperialism, has been unable to bend the bulk of the nation to its will for too long. There are no forces, nor can there be any, that could put the freedom-loving Chilean people in chains. “The days of gloom will pass. The Chilean people will do away with the fascist tyranny. The Communist Party of Chile is playing and will play the decisive part in this battle. And together with our allies, with all anti-fascist forces, it will lead the people of Chile again along the road to democracy and socialism.”³

¹ “For the Complete Independence of Our America,” In: *World Marxist Review*, Vol. 18, September 1975, No. 9, p. 12.

² A. Shulgovsky, *The Government and Armed Forces*. “Lessons of Chile”, Nauka Publishers, Moscow, 1977, p. 142 (in Russian).

³ Luis Corvalan, op. cit., p. 517.



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